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WEEK'S EVENTS IN REVIEW

GOVERNOR GENERAL'S SUGGESTION: In an address to the Ottawa Canadian Club on December 18 His Excellency the Governor General, Right Hon. Vincent Massey, suggested that a Canadian festival of music and arts be presented in the Capital of Canada.

He said, in part:

"I, along with many other Canadians, have been increasingly impressed by the annual International Festival of Music and Arts held in Edinburgh. This undertaking, as you know, has been offered for the pleasure and profit of the people of that City and of their summer visitors. It has, I understand, been a success in every way.

"Edinburgh and Ottawa have certain characteristics in common. They are both northern capitals; they both have great natural beauty, and both stand rather apart from the main currents of trade and commerce. There are, of course, many differences. We cannot match Edinburgh's age or tradition; again Edinburgh is the centre of a small, compact country and we are the capital of half a continent, with all the geographical problems which that involves.

"It would naturally be foolish to attempt a close imitation of any other celebration; we must always do things in our own way, but it has occurred to me that it might be suitable for this community, with its great amenities, and with its contacts, national and international, at least to consider presenting to its visitors, if only on one experimental occasion, a festival of the arts resembling the annual event which means so much to Edin-

burgh and the great crowds of visitors who attend it.

"Such an occasion, I would suggest, should be international, but with a special emphasis on Canadian cultural achievement, which is not as well known as it ought to be -- to ourselves or to those from abroad. It could do much to stimulate and encourage that active participation in music and drama and the other arts which are becoming increasingly characteristic of life in this City and in Canada as a whole. It would suggest to visitors from abroad that Canada is not just a dollar country. Such projects are in keeping with the times.

"The festival movement has become a universal instrument of Twentieth Century culture. It serves to promote those activities which know no barrier of language or of history or of politics; activities which demonstrate that distinction between mere escapism and distraction on the one hand, and genuine recreation on the other -- activities greatly needed in this difficult age...."

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NATIONAL LIBRARIAN: The Prime Minister, Mr. Louis S. St. Laurent, announced on December 22 the appointment of a National Librarian, an Assistant National Librarian and a 14-member Advisory Council. Dr. W. Kaye Lamb, Dominion Archivist, is to become National Librarian on January 1. His assistant will be Dr. Raymond Tanghe, librarian of the University of Montreal.

POPULATION GAINS FOR MOST ORIGIN GROUPS

CENSUS ANALYSIS: All the leading origin or cultural groups in Canada's population, except that of Asiatic origins, showed increases in 1951 over 1941, the Bureau of Statistics reported December 10 in a 1951 census bulletin detailing final figures on population by origins and sex for provinces, counties and incorporated centres of 10,000 and over.

Persons of British Isles and French origins still formed the largest segments of the Canadian population in 1951, and the largest numerical gains during the decade were in these groups. The population of British Isles origins (which includes English, Irish, Scottish, Welsh and Manx) rose by 993,781 or over 17 per cent from 5,715,904 to 6,709,685, and that of French origin by 836,129 or 24 per cent from 3,483,038 to 4,319,167.

BRITISH ISLES

However, persons of British Isles origins represented only 47.9 per cent of the total population in 1951 as against 49.7 per cent in 1941, the decade witnessing a continuation of the steady decline in the proportion of those of British Isles origins since 1901 when the figure stood at 57 per cent. Persons of French origin represented 30.8 per cent of the total population in 1951 as compared with 30.3 per cent ten years earlier, and the proportion was the highest since the 1901 figure of 30.7 per cent.

During the decade the number of persons of other European origins rose by 509,796 or almost 25 per cent from 2,043,926 to 2,533,722, and in 1951 they represented 18.2 per cent of the total population as against 17.8 per cent in 1941. The percentage of the population of other European origins has steadily increased since 1901 when the proportion was only 8.5 per cent.

The population of Asiatic origins decreased by 1,237 or about two per cent in the ten years from 74,064 to 72,827, and they represented 0.5 per cent of the total population in 1951 as compared with 0.6 per cent in 1941.

The Bureau lists 165,607 persons of native Indian and Eskimo origins as compared with 125,521 in 1941, but points out that the figures are not strictly comparable since the 1941 figure does not include persons shown as half-breeds in that census.

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Latest estimates indicate that this year's crops of peaches, apricots, cherries, strawberries, raspberries and loganberries will be larger than the 1951 harvests; and that the crops of apples, pears, plums and prunes, and grapes will be smaller.

Percentage-wise, the largest gain in the ten-year period was in those of Italian origin, their number increasing by 39,620 or over 35 per cent from 112,625 to 152,245. The population of German origin rose by 155,313 or more than 33 per cent from 464,682 to 619,995; that of Polish origin by 52,360 or over 31 per cent from 167,485 to 219,845; that of Ukrainian origin by 89,114 or more than 29 per cent from 305,929 to 395,043; and that of Netherlands origin by 51,404 or over 24 per cent from 212,863 to 264,267. There were smaller gains in the numbers of persons of other European origins.

In 1951 there were more males than females of all except English and Estonian, of the 34 origins listed by the Bureau. There were 1,823,884 females of English origin as against 1,806,460 males, while females of Estonian origin narrowly outnumbered males by 4,915 to 4,903. Adding the sex figures for Irish, Scottish and other British Isles origins to those of English origin gives a total of 3,356,811 males of British Isles origins as against 3,352,874 females. Of the population of French origin, males outnumbered females by 216,658 to 2,158,509.

JEWISH ORIGIN

The proportion of each origin living in urban centres in 1951 was highest for those of Jewish origin at 98.7 per cent, followed by those of Italian origin (88.1 per cent), and those of Chinese origin (87.5 per cent). The proportion of each origin living in rural Canada was highest for those of native Indian and Eskimo origins at 93.3 per cent, followed by those of Netherlands origin (59.1 per cent), those of German origin (55.8 per cent), and those of Scandinavian origin (53.3 per cent). The proportion was most nearly equal for those of Ukrainian origin with 50.3 per cent living in urban centres and 49.7 per cent in rural areas.

The proportions of all British Isles origins living in urban centres were above the national average of 61.6 per cent, with 66.7 per cent of those of English origin, 65.5 per cent of those of Scottish origin, 63 per cent of those of Irish origin, and 70 per cent of those of other British Isles origins. Of the population of French origin, nearly 60 per cent lived in urban centres and just over 40 per cent in rural areas.

Between 1929 and 1950 the average price per animal slaughtered in Canada's slaughtering and meat packing industry rose 175 per cent for calves, over 161 per cent for beeves, over 145 per cent for sheep and lambs, and 100 per cent for hogs.

BILLION DOLLAR INDUSTRY: Canada's pulp and paper industry had another record year in 1951 with new peaks in gross and net values of production, number of employees, and salaries and wages paid, according to the annual industry report by the Dominion Bureau of Statistics.

The gross value of production -- the sum of the values of pulp made for sale in Canada, pulp for export, and paper manufactured -- not only passed the billion-dollar mark for the first time but climbed sharply beyond to \$1,237,897,000. This was almost 30 per cent larger than the 1950 value of \$954,138,000. The net value of production -- value added by manufacture -- advanced about one-third to \$679,258,000 from \$511,143,000.

Production of paper and paper boards in 1951 amounted to 7,225,000 tons valued at \$824,030,000, compared with 6,812,000 tons valued at \$710,154,000 in 1950, representing increases of six per cent in tonnage and 16 per cent in value. Output of newsprint in 1951 was the highest ever recorded, reaching 5,561,000 tons valued at \$564,361,000 as compared with 5,319,000 tons valued at \$506,968,000 in 1950. The average value per tons increased from \$95.31 to \$101.48.

Pulp production in 1951 rose about 10 per cent in volume to 9,315,000 tons from 4,473,000, and the value climbed 45 per cent to \$727,880,000 from \$502,584,000. Of the 1951 total, 71 per cent or 6,588,000 tons valued at \$314,049,000 was produced by combined pulp and paper mills for their own use in paper-making, equal to increases of six per cent in tonnage and 21 per cent in value over 1950. Over 24 per cent of the total pulp production was made for export with tonnage 22 per cent and value 74 per cent higher than in 1950.

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CENSUS FACTS: Birthplace figures recently published by the Bureau of Statistics reveal that in 1951--85.3 per cent of the population was Canadian-born as compared with 82.5 per cent a decade earlier -- the proportions of native born decreased steadily across the country from 99 per cent in Newfoundland to 71 per cent in British Columbia--Percentages of Canadian-born were higher than the national average from Quebec east and lower from Ontario west--persons born in the United Kingdom formed the largest group of those born in other countries, but at 912,482 their numbers were five per cent fewer than a decade earlier -- the population born in the United States numbered 282,010, almost ten per cent less than in 1941--persons born in European countries other than the United Kingdom numbered 801,618, up 23 per cent in ten years--the numbers of persons born in the Netherlands, Russia, Poland, Germany, Greece, Italy, Yugoslavia and Belgium were higher than in 1941, while the numbers of those born in Roumania, Austria, Sweden and Norway were lower.

RECORD AUTO REGISTRATIONS: Motor vehicle registrations in Canada increased 10.5 per cent in 1951 to reach an all-time high total of 2,872,420 as compared with 2,600,511 in the preceding year. At the same time the net consumption of taxable gasoline increased almost 11 per cent to 1,540,000,000 gallons from 1,390,000,000.

As a result of the increases in registrations and gasoline sales, revenues of provincial governments of Canada from these sources were boosted to \$252,213,001 from \$222,332,113 in the preceding year. Fees for registrations of motor vehicles, drivers, etc., advanced in total to \$73,707,694 from \$67,185,528, while gasoline taxes increased to \$178,505,307 from \$155,146,585.

Registrations of passenger cars passed the two million mark for the first time, rising 10 per cent from 1,907,169 to 2,097,594 in the registration year. Commercial vehicles increased from 649,672 in 1950 to 731,637 in 1951, while motor cycle registrations declined to 43,189, from 43,670.

All sections of Canada shared in the higher vehicle totals, with increases ranging from five per cent in the Territories and eight per cent in British Columbia and Saskatchewan to over 22 per cent in Newfoundland. Per capita data shows that Alberta has 10 motor vehicles for every 36 persons -- the highest ratio among the Provinces. Ontario leads in passenger cars with 10 for every 48 residents. Newfoundland has the greatest number of persons per vehicle at 18, but the rapid extension of the Province's road network has reduced the ratio from 26 persons in 1949.

The average motor vehicle operated in Canada during the 1951 registration year cost almost \$88 in terms of operating taxes and licences or some \$3 more than in the 1950 period. Lower gasoline tax rates in the five Provinces from Ontario westward helped bring the average in all five below the national average.

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RECORD AUTO ENTRIES: Foreign vehicles entering Canada on traveller's vehicle permits in November reached a new high for the month at 88,048. This was 16 per cent greater than last year's November total of 76,040. Cumulative entries for the first 11 months of this year advanced two per cent to 2,214,520 as against 2,165,517 a year earlier.

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CRUDE PETROLEUM UP: Canadian production of crude petroleum advanced 22 per cent in September, amounting to 5,944,288 barrels as compared with 4,882,591 in the same month last year. The cumulative output for the first nine months of 1952 was 43,679,762 barrels, 25 per cent above last year's corresponding total of 34,811,570.

RCAF 1952: As 1952 draws to a close, the RCAF, its operations extended from the Far East to the European Continent, looked back over a year crammed with activity and achievement.

New operational squadrons made their appearance, new training stations were formed, and new aircraft and equipment came into use. Personnel strength rose from 29,552 at the close of 1951 to an estimated 38,500 at the end of 1952. For the first time since 1945 RCAF fighter planes were based on the European Continent.

Most newsworthy Air Force operation of the year was perhaps the buildup of the RCAF's overseas strength, highlighted by the flight of four Sabre jet squadrons across the Atlantic.

OVERSEAS BASE

Late 1951 saw the formation of the RCAF's first post-war operational base overseas, the Fighter Wing at North Luffenham in England. One Sabre squadron arrived there for duty before the end of 1951. In early 1952 the second Sabre squadron arrived at North Luffenham, having travelled by sea, as did the first one. The third and final squadron to arrive at North Luffenham flew its own Canadian-built Sabres, made by Canadair Ltd. at Montreal, across the Atlantic in June, arriving at its new base without mishap. This movement, termed Operation Leapfrog One, marked the first trans-Atlantic jet flight by RCAF aircraft.

While the scream of Canadian-made jets was becoming commonplace at North Luffenham, work was going on preparing and manning other RCAF overseas bases. The RCAF's Air Materiel Base at Langar, not far from North Luffenham, was opened, and although not completely finished as 1952 ended, was "in business" with majority of its personnel established there. This base is responsible for supplying logistics support to the RCAF formations on the Continent and in the U.K., and forms a vital part of the Air Force's overseas force.

At the same time work was going ahead preparing for the 12-squadron Air Division on the Continent. Air Division Headquarters was formed at Paris and the first of the four RCAF air bases on the Continent was manned at Grostenquin, France, near Metz.

Canadian air carriers had gross operating revenues of \$7,545,739 in May -- a new high for the month -- as against \$6,231,110 in May last year. At the same time operating expenses increased from \$5,425,167 to \$7,015,534, resulting in a drop in net operating revenues from \$805,943 last year to \$530,205.

Of the 1,553,089 unmarried sons and daughters living at home in Canada in 1951, 739,815 or 47.6 per cent were in the labour force.

WHEAT, FLOUR EXPORTS: Exports of wheat as grain in October amounted to 27,100,000 bushels, 2,600,000 greater than in September. Although slightly lower than the October 1951 total of 27,600,000 bushels, they were almost double October 1950 exports of 13,800,000 bushels. The equivalent of an additional 6,300,000 bushels was exported in the form of wheat flour during October this year as against 3,900,000 and 3,700,000 in the same month in 1951 and 1950, respectively. Total exports of wheat and wheat flour in terms of wheat during the month were 33,300,000 bushels.

Combined exports of wheat and wheat flour in terms of wheat during the August-October period of 1952-53 amounted to 94,800,000 bushels, the highest first quarter shipments since 1945-46 when the total reached 117,100,000 bushels. Exports of wheat as grain during the first three months of the current crop year amounted to 80,200,000 bushels, an increase of 22 per cent over the 65,900,000 bushels in the comparable period in 1951-52.

CANADA-U.S. FISHERIES TALKS: Representatives of the Canadian and United States Governments on December 19 completed in Washington their preliminary discussions of a Great Lakes Fisheries Convention:

One of the chief problems of immediate concern to the Canadian and United States sections of the fishing industry of the Lakes is the parasitic lamprey which has recently cost them upwards of \$5,000,000 a year in lake trout alone. Most of the discussions concerned this and related problems. Each delegation offered proposals for the setting up of an international commission to deal with the lamprey and other problems of the fisheries of the Great Lakes.

The conference will resume discussions in late January.

RECORD RETAIL SALES: Sales of Canadian retail stores crossed the one-billion dollar mark for the first time in October, reaching \$1,006,385,000, 6.4 per cent above the September total of \$946,024,000, and 12 per cent greater than last year's October sales of \$898,635,000. With an unbroken series of gains from January to October, cumulative sales for the first ten months of 1952 advanced 7.1 per cent to \$9,142,789,000 as against \$8,533,262,000 a year earlier.

Sales were higher in all sections of Canada both in October and in the ten months, Saskatchewan registering the largest gains of 18 per cent and 14.2 per cent, respectively.

There were more females than males of 20 to 34 years of age and of 70 years of age and over in Canada in 1951, but more males than females of other age groups.



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WEEK'S EVENTS IN REVIEW

CANADA THIRD IN TRADE? Canada's exports increased rapidly in the first half of 1952, according to the review of foreign trade for the half-year released December 11 by the Dominion Bureau of Statistics. Their value was higher than in any corresponding post-war period and their volume 17 per cent above the same period of 1951. Although the value of imports was less than in the 1951 half-year their volume also increased slightly.

World prices moved steadily downward in the first half of 1952, those of Canada's imports falling more than those of exports. In part, this represented an adjustment from the inflation which followed the outbreak of the Korean War. The appreciation of the Canadian dollar also influenced the price declines.

The greater part of the increase in exports in the half-year was in sales to overseas countries, while those to the United States remained stable at a high level. In imports, purchases from the United States showed little change while those from overseas countries generally declined. The export balance on trade with overseas countries more than offset the import balance on trade with the United States.

The value of Canada's trade in 1951 was exceeded only by that of the United States, the United Kingdom and France, and Canada's trade per capita (\$588) was greater than that of these countries, although less than that of Hong Kong (\$813) and New Zealand (\$662). Statistics for 1952 indicate that the value of Canada's exports and total trade may again exceed those of France.

LEASE OF LAND TO U.S.: The Acting-Secretary of State for External Affairs, Mr. W.E. Harris, tabled in the House of Commons on December 16 notes exchanged by the Acting Secretary of State for External Affairs and the United States Ambassador on December 5.

He said, "The notes constitute a lease to the United States of certain parcels of land within the Royal Canadian Air Force station at Goose Bay in the Province of Newfoundland. The lease, which is to enable the United States Air Force to replace wartime construction and to construct some additional facilities, involves approximately 7,000 acres of land which is less than ten per cent of the area of the base. The field will continue to be under the over-all command of the R.C.A.F.

"Goose Bay airport was built by Canada in 1942--before Newfoundland entered confederation--as a stepping-stone along the North Atlantic and Arctic airways. During the war thousands of aircraft put down there on ferry flights from the United States and Canada to Europe. Since the war Goose Bay has been used by the R.C.A.F. and the United States Air Force to support certain northern weather stations, and it has served also as a centre for search and rescue operations in the area.

"In view of the increased international tension during the last three years, the R.C.A.F. and United States Air Force facilities at Goose Bay have been considerably expanded. The base is, in effect, a joint defence installation, and is being used by both Air Forces for the co-operative defence of North America. Its use by both countries is essential for

START SEAWAY IN SPRING? "Canada has given a decisive answer to the long-standing argument as to whether the St. Lawrence seaway and power project should be undertaken" and, "the pertinent question now is when can we start construction", the Minister of Transport, Mr. Lionel Chevrier, told members of the Ontario Traffic League in Hamilton on December 11. The Minister added that he was "... more hopeful than ever that the way might be cleared for a start next Spring."

Mr. Chevrier referred briefly to earlier seaway negotiations with the United States, including a treaty signed in 1932 but rejected by the U.S. Senate and an agreement signed in 1941 but never ratified by Congress. "We now plan to build the seaway as an all-Canadian project, with the basic power development in the international section of the St. Lawrence River undertaken by Ontario Hydro and an entity to be named by the United States," said the Minister, "and events are on the move."

The Minister reminded his audience that the Power Authority of the State of New York had an application before the U.S. Federal Power Commission for a license to develop power in the international section of the St. Lawrence, and that hearings on the application opened in Washington on Tuesday of last week. "Canada is supporting the application of the New York Power Authority," Mr. Chevrier said, "because if granted a license they are in a position to act immediately along with the Ontario Hydro." While thus making it clear that Canada hoped the license would be granted, he remarked that it would be inappropriate for him to speculate on the actual outcome of a semi-judicial hearing.

9,000,000 HORSEPOWER

The speaker dramatized the seaway as consisting of five steps which must be "levelled out" to permit 25-foot craft to ply from one end to the other: St. Mary's falls between Lake Superior and Lake Huron, the St. Clair-Detroit passage, Niagara Falls, the rapids of the St. Lawrence River, and the drop from Montreal to the sea. The same five steps offered a total of about 9 million horsepower, only about one third of which was developed so far, he said.

Mr. Chevrier pointed out that most of the seaway work is done at the fourth step, the St. Lawrence rapids. "Canada has provided a lock at the Sault, the Welland Canal at Niagara, a 14-foot canal system from Lake Ontario to Montreal, and a 35-foot channel from Montreal to the sea. The United States has provided locks at the Sault and dredged channels there and in the St. Clair-Detroit passage. To complete the job it is necessary to break that 14-foot bottleneck in the St. Lawrence River."

The Minister touched on the benefits the combined seaway and power project would bring from coast to coast in Canada, including

cheaper and more efficient movement of prairie grain to market, stimulation to iron ore development in the Labrador-Ungava district, and new power reserves for industrial growth in southern Ontario. He observed that ... "communities on the waterfront will not only benefit from the improved power position, they will have the advantage of access to new water routes offering low-cost transportation" and predicted in particular that ... "eastern Ontario can look for a very considerable industrial expansion that probably will set the pace for the rest of the Province."

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MANPOWER FOR DEFENCE: The National Advisory Council on Manpower wound up its two-day meeting on December 11 with a closed session at which it closely examined the manpower situation as it affected the defence programme, and particularly the availability of skilled and highly-skilled manpower for the Armed Forces and defence production.

Federal-provincial vocational training plans are already in existence to train skilled workers. It was planned to broaden these schemes.

The shortage of highly skilled technicians for some of the more complicated defence production processes came in for lengthy examination. The Council learned that because of the great advances in weapon and machine design since World War II, more and more technical skills were being demanded both by defence industry and the Armed Forces.

It was reported that last year at this time, there were about 100,000 workers employed in the plants of prime contractors on defence production, and somewhat similar number were engaged by subcontractors or suppliers. During the past year, combined defence employment in these two groups had increased by roughly 50,000 or approximately 25 per cent.

It was now expected, on the basis of the current programme that the overall manpower requirements would not reach their maximum level until late next year. It was likely that, by that time, an additional 20-25 thousand workers would be involved, most of this increase taking place in the aircraft, weapons, ammunition and electronics programmes.

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ELECTRICAL APPARATUS PEAK: Gross factory value of products manufactured by establishments comprising the electrical apparatus and supplies industry reached an all-time peak of \$676,009,000 in 1951, up 16 per cent from the previous high of \$580,578,000 in 1950. Cost of materials used rose 22 per cent to \$316,561,000 from \$260,306,000, salary and wage payments 25 per cent to \$194,749,000 from \$155,334,000, and the net value of products 12 per cent to \$353,603,000 from \$315,136,000.

U.S. CATTLE EMBARGO: The Minister of Agriculture, Mr. J.G. Gardiner, made the following statement in the House of Commons on December 12 on the lifting of the United States embargo against Canadian livestock, meat and hay:

"Most hon. members will have read in the press or heard on the radio yesterday's news report from Washington indicating the early lifting of the embargo in so far as hay from eastern Provinces is concerned. It will be remembered that on November 28 a news report came from Washington which was interpreted to mean that the embargo against livestock, meat and other products affected, would be lifted on March 1, 1953. The announcement said: "If present favourable conditions continue Canada will be declared free of foot-and-mouth disease on March 1, 1953".

"Since the statement did not actually say that the embargo would be lifted on March 1, and because we had maintained frequent contact with the United States authorities and had reason to expect that the embargo against some products at least might be lifted at an earlier date than March 1, we refrained from making any public comment pending further discussion with the United States authorities.

"Shortly afterward I arranged to meet Secretary Brannan in Washington and actually did meet him on December 5. I can tell the House that the meeting was most favourable, that I was assured that the United States authorities regarded our measures for the eradication of foot-and-mouth disease as being wholly effective, and further that they are anxious to see normal trade in livestock, meat and other products affected, resumed as soon as possible.

"After my visit to Washington, the Acting Secretary of Agriculture published a notice in the Federal Register expressing the intention of the Department to lift the embargo against Canadian livestock and meat and stating that representations on the proposal would be received from the public until January 16.

"As I mentioned a moment ago, yesterday's news from Washington has been taken by some to mean that the embargo had actually been lifted in so far as hay originating in eastern Canadian provinces was concerned. According to information we have from Washington, that is not exactly the case. Yesterday the Department of Agriculture in Washington posted a public notice to the effect that hay for use as feed would be allowed to enter the United States from eastern Canada after the publication of the official notice in the Federal Register. We understand that the official notice may be published within a matter of a few days.

"While no assurance whatever can be given as to what, if any, further action the United States authorities may take to advance the date of the lifting of the embargo, I think the House will agree that the steps already taken by the United States Government are most welcome and support the view that further steps may be taken before March 1.

THE R.C.N. IN 1952: The year 1952 has seen the Royal Canadian Navy continue its support of the United Nations' cause in Korea, its integration within the framework of the North Atlantic Treaty Organization and its steady growth in ships and men.

For the third successive year the Christmas season finds three Canadian destroyers patrolling Korean waters, blasting enemy shore targets, guarding friendly islands and helping to screen carrier forces. The destroyers on duty there at the year's end are HMC Ships Athabaskan, Haida and Crusader. For the Athabaskan, it will be her third Christmas in the Far East.

Four other Canadian destroyers saw Korean service during the year, under the rotation plan which maintains a constant force of three Canadian ships in the Far East. These were the Iroquois, homeward bound to Halifax at the year's end, the Nootka, back by way of Suez only a few days before Christmas, and the Cayuga and the Sioux, which completed their tours of duty earlier in the year.

A total of about 2,900 officers and men of the Royal Canadian Navy have seen service in the Korean war and this figure does not include those serving there for a second or third time.

Formation of the NATO naval command was completed early in the year with the appointment of Admiral L.D. McCormick, USN, as Supreme Allied Commander, Atlantic, and the subsequent appointment of sub-area commanders, among them Rear-Admiral R.E.S. Bidwell, RCN, Flag Officer Atlantic Coast, who became Commander, Canadian Atlantic Sub-Area.

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WORLD PLOWING MATCH: The first world plowing match will be held in Canada next October, in conjunction with the Ontario Plowmen's Association annual International plowing match at Cobourg, the Association has announced. At least seven, and possibly ten, nations will send three-man teams, consisting of a horse plowman, a tractor plowman and a coach.

Decision to hold this first world match was taken this fall at an international conference at Falkirk, Scotland, following the second national British Plowing Association match. A Canadian team competed at this match.

Canada's invitation as host country was extended by J.D. Thomas of Toronto, honorary president of Ontario Conservation Association and special delegate to the conference for the Ontario Plowman's Association.

More than 200 plowmen, representing Canada, Sweden, Finland, Norway, West Germany, Eire and Great Britain (England, Wales and Scotland), attended the conference, although only one delegate was allowed to speak for each country. It is hoped that Belgium, France and the United States will join the organization in time for the October match.

SMALLER HOUSEHOLDS: For the seventh successive time in as many decades the average household size in Canada's nine older provinces declined between 1941 and 1951 from 4.25 persons to 4.07 persons, the Bureau of Statistics has reported. This brought the total drop to 1.26 persons since the 1881 average size of 5.33 persons.

The decrease in the average number of persons per household between 1941 and 1951 occurred in each of the older provinces, while Newfoundland followed the same pattern between its 1945 Census and the Ninth Decennial Census of Canada in 1951.

In the decade the number of households in the nine older provinces increased by 24 per cent from 2,706,089 to 3,349,580, as compared with a rise of 30 per cent in the number of occupied dwellings and a gain of 19 per cent in population.

AVERAGE OF FOUR

There were 3,409,284 ordinary private type households (i.e., excluding hotels, institutions and camps) in all Canada in 1951, and these contained an average of four persons each. The average size of rural non-farm households was 3.8 persons; of urban households, 3.9 persons; and of farm households, 4.5 persons.

Provincially, the average size of private type households ranged from five persons in Newfoundland to 3.3 persons in British Columbia. In Prince Edward Island the average size was 4.3 persons; in Nova Scotia, 4.2 in New Brunswick, 4.4; in Quebec, 4.6; in Ontario, 3.8; in Manitoba, 3.7; in Saskatchewan, 3.7; and in Alberta, 3.6.

In the four Western Provinces, as well as in Quebec, New Brunswick and Prince Edward Island, rural households showed a higher average size than urban households. In Newfoundland and Nova Scotia, urban households were slightly larger than rural, whereas in Ontario rural and urban households were the same average size of 3.8 persons.

Cities in Newfoundland, the Maritimes and Quebec consistently showed higher average sizes than the rest of Canada, while centres in British Columbia consistently showed the lowest average sizes.

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RCAF ARCTIC SANTA: This week the Royal Canadian Air Force will again play Santa Claus to the lonely weather detachments in Canada's Arctic, by dropping three thousand pounds of parcels and mail to the Department of Transport's isolated weathermen.

Christmas air drops this year will be made at such widely scattered spots as Nottingham Island, Resolution Island, Isaachen, Arctic Bay, Cape Hopes Advance, Mould Bay, Eureka and Alert. The most northerly station, Alert, is over 2,500 miles north of Montreal, just under 600 miles from the North Pole.

LABOUR INCOME AT PEAK: Canadian labour income continued to rise in September, reaching an all-time high total of \$932,000,000, as compared with \$922,000,000 in the preceding month, and \$848,000,000 in the corresponding month last year. This boosted the cumulative total for the first nine months of 1952 to \$7,912,000,000 from \$7,092,000,000 in the like period of 1951, or by 11.5 per cent.

Labour income in manufacturing in September amounted to \$314,000,000 as compared with \$284,000,000 in the corresponding month last year, bringing the cumulative total for the nine months ending September to \$2,661,000,000 as compared with \$2,416,000,000. September total for utilities, transportation, communication, storage and trade was \$232,000,000 as compared with \$214,000,000, and for the nine months, \$1,996,000,000 compared with \$1,806,000,000.

For finance and services, including Government, the September total was \$196,000,000 as compared with \$178,000,000; and for the nine months, \$1,721,000,000 compared with \$1,541,000,000. Labour income in construction for September was \$87,000,000 compared with \$74,000,000, and for the nine months, \$657,000,000 compared with \$528,000,000.

September total for the primary industries -- agriculture, forestry, fishing, trapping and mining -- was \$73,000,000 as compared with \$70,000,000 a year earlier, and for the January-September period, \$615,000,000 compared with \$560,000,000. Supplementary labour income in September was \$30,000,000 compared with \$28,000,000, and in the nine months, \$262,000,000 compared with \$241,000,000.

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NATIONAL UNITY: In addressing the closing ceremonies of the Laval University's Centennial celebrations on December 8, the Secretary of State for External Affairs, Mr. L.B. Pearson, said, in part:

"We now recognize in Canada, in a way and to an extent not considered possible in earlier days, that it is not only necessary to base our national existence and our national development on two races, two cultures, two languages, but that we are fortunate beyond others in this hemisphere in being able to do so. Our country's growth is made solid and secure because it is so deeply rooted in the great traditions of French Canada and our national unity is strengthened and given a richer meaning by diversity. No Canadian who is proud of his country can help but be grateful for the heritage of New France which does so much to justify that pride."

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Canada had 218 plants in the jewellery and silverware industry in 1950 with a total factory value of production of \$53,310,540, of which over 98 per cent was accounted for by the 199 plants in Ontario and Quebec.

WAGE, SALARY ANALYSIS: Of the 5,286,153 persons of 14 years of age and over in the Canadian labour force at the time of the 1951 Census, 4,085,151 or 77.3 per cent were in wage - or salary earning employment, the Bureau of Statistics reported December 16. The total included 73 per cent of the 4,121,832 males and 92.2 per cent of the 1,164,321 females in the labour force.

Of the 3,011,322 male wage or salaried workers, about 16 per cent earned less than \$1,000 in wages or salaries in the 12 months prior to June 2, 1951, 27 per cent between \$1,000 and \$2,000, 37 per cent between \$2,000 and \$3,000, 11.5 per cent between \$3,000 and \$4,000, and five per cent over \$4,000. A little over three per cent failed to report earnings.

There were wide variations in earnings in different types of occupations during the census year. About 62 per cent of the male wage - or salary-earners in agricultural occupations, 52 per cent of those in fishing, hunting and trapping, and 40 per cent of those in logging occupations earned less than \$1,000, the bulk of the remainder earning between \$1,000 and \$2,000. Of the 328,635 male labourers in other than agricultural, fishing, logging or mining occupations, 29 per cent earned less than \$1,000 and about 40 per cent between \$1,000 and \$2,000.

\$2,000 TO \$3,000 GROUP

The \$2,000 to \$3,000 earnings group accounted for about half of the male wage or salary-earners in clerical, manufacturing and mechanical, and mining occupations, and for 42 per cent of those in construction, 40 per cent of those in transportation, and 35 per cent of those in commercial occupations.

In the \$3,000 to \$4,000 earnings group were nine per cent of male wage - or salary-earners in clerical, 14 per cent of those in manufacturing or mechanical, 18 per cent of those in mining, 11 per cent of those in construction and transportation, 13 per cent of those in commercial, and about one-quarter of those in managerial and professional occupations.

More than 40 per cent of those in managerial and over 25 per cent of those in professional occupations reported earnings in excess of \$4,000, but the proportions of those in other occupations in this earnings group were much lower. A total of 164,228 reported earnings in excess of \$4,000.

Of the total number of male wage - or salary-earners, 2,033,295 or 67.5 per cent reported that they worked 50 or more weeks during the census year. Those employed between 40 and 50 weeks numbered 267,088; between 30 and 40 weeks, 213,144; between 20 and 30 weeks, 185,420; between 10 and 20 weeks, 94,848; and less than 10 weeks, 103,534.

Of the 1,073,829 female wage or salaried workers, about 40 per cent earned less than \$1,000 in wages or salaries in the 12 months prior to June 2, 1951, 44 per cent between

\$1,000 and \$2,000, and 13 per cent over \$2,000. About four per cent did not report earnings.

Important differences in earnings were recorded for some of the occupation groups employing large numbers of women. Only about one-fifth of those in clerical and one-third of those in manufacturing and mechanical occupations earned less than \$1,000, compared with almost one-half of those in commercial and over 70 per cent of those in service occupations.

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INVENTORIES DECLINE: Estimated total value of inventories owned by manufacturers at the end of the third quarter of 1952 was \$3,429,800,000. During the quarter, inventories continued the gradual decline which began at the first of the year, the drop from June values being \$36,000,000, while the decline from last December's post-war peak was \$156,500,000, or 5.5 per cent.

In index terms, the September inventories figure was 184.3 as compared with 185.4 at the end of August, 192.7 at the end of December, and 188.3 for September, 1951. The decrease in September was general to almost all main industry groups, the consumers' non-durable goods industries being the only group to show a noticeable increase.

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GREAT LAKES FISHERIES: The Minister of Fisheries, Mr. James Sinclair, announced on December 17 that a five-man Canadian delegation of fisheries officials is going to Washington, D.C., this week to have preliminary discussions with the United States authorities on a proposed international treaty for the commercial fisheries of the Great Lakes.

The commercial fisheries of the Great Lakes provide a livelihood for several thousand fishermen both in Ontario and in the several American states bordering the lakes. The fisheries has never been put under any form of the controls or regulations which are necessary for carrying out conservation measures. Following the Washington talks the delegation will bring back some proposals for discussions with the federal and provincial governments and with the fishing industry.

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FARM PRICES DOWN: Canada's index number of farm prices of agricultural products dropped in October to 243.5 -- the lowest monthly standing since April, 1948. It compares with 250.7 for September and 301.4 for October, 1951. Lower prices for live stock and potatoes more than offset slight gains for dairy products, poultry and eggs to account for the decrease between September and October this year.

FOREST PRODUCTION RECORD: Volume and value of Canada's forest production rose to all-time high levels in 1950. Final estimates by the Dominion Bureau of Statistics show a cut of 3,342,399,000 cubic feet of merchantable timber valued at \$625,734,603 as compared with 3,140,137,000 cubic feet valued at \$561,412,062 in the preceding year. Preliminary estimates for 1951 indicate an increase in volume to 3,541,534,000 cubic feet.

An estimated 1,338,589,000 cubic feet of merchantable timber, or 40 per cent of the total for 1950, were taken out of the woods in the form of logs and bolts, chiefly for the production of lumber; 1,094,245,000 cubic feet, or 32.7 per cent were taken out as pulpwood, and 808,309,000 cubic feet, or 24.2 per cent as fuelwood. The remaining 101,256,000 cubic feet, or about three per cent consisted of other forest products in various forms, such as round mining timbers, poles and piling, hewn railway ties, fence posts and rails, wood for distillation, etc.

Forest fires destroyed in 1950 the equivalent of 159,857,000 cubic feet while insects and tree diseases destroy annually about 500,000,000 cubic feet of wood. The total drain on our forest resources in 1950 was, therefore, approximately 4,002,256,000 cubic feet.

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COMMONS RECESS UNTIL JAN. 12: The House of Commons on December 17 adopted "on division" - without a formal vote - the Address in reply to the Speech from the Throne, ending a month-long debate. Previously members voted 114 to 47 against the Progressive Conservative main amendment which would have had the House criticize the Government for "excessive and unjust taxation" and for "waste and extravagance" as well as requesting consultation with the Provinces on health insurance. C.C.F. and Social Credit sub-amendments on national health insurance and fiscal policy had already been rejected. The House recessed until January 12; the Senate until February 3.

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AWARDS FOR VALOR: The Minister of National Defence announced on December 19 that Her Majesty the Queen has been pleased to approve awards to ten officers and men of the Royal Canadian Navy for their services in Canadian destroyers in the Korean war theatre.

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The average cost per animal slaughtered by Canada's slaughtering and meat packing industry rose by \$121 for beeves between 1929 and 1950 from \$75 to \$196.

INDUSTRIES ACTIVE: Employment, payrolls, and average weekly wages and salaries in Canada's principal industries rose to new high levels at the beginning of October, according to the Bureau's monthly report. The employment index climbed to 192.0 from 190.6 a month earlier, and 186.5 a year ago, while the payrolls index advanced to 449.9 from 442.7 at the beginning of September, and 410.0 at the same time a year ago. Weekly wages and salaries increased to an average of \$55.03 from \$54.55 at September 1, and \$51.59 at October 1, 1951.

Heightened industrial activity was recorded at the beginning of October in manufacturing, in which the trend of employment was upward in the durable and the non-durable goods divisions as compared with September 1.

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FARM ECONOMIC CLASSIFICATION: Alberta had the largest proportion, among the ten provinces, of farms reporting sales of farm products in 1950 to a value of \$10,000 and over and Ontario the second largest proportion, while Newfoundland had the greatest percentage of small-scale farms with sales reported of less than \$250, and Nova Scotia and New Brunswick the largest proportion (almost identical) of part-time farms, according to a bulletin released by the Bureau of Statistics showing an economic classification of farms, as reported in the 1951 Census, by province and division.

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NICKEL-COPPER INDUSTRY: Total gross value of the various primary products of Canada's nickel-copper mining, smelting and refining industry rose by \$60,276,737 or nearly 31 per cent in 1951 to \$255,434,703 from \$195,157,966 in 1950, the Bureau of Statistics reported on December 10 in its annual report on the industry.

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(Continued from p. 1)

LEASE OF LAND TO U.S.

the fulfilment of their responsibilities under the North Atlantic treaty.

"The lease is for a period of 20 years, with the proviso that any United States request for an extension will be considered by Canada in the light of the common defence interests of Canada and the United States.

"When the lease has expired, all buildings on the leased area will become the property of Canada, but removable improvements may be taken away by the United States Air Force."



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WEEK'S EVENTS IN REVIEW

MR. PEARSON ON WORLD AFFAIRS: "Canadian policy is directed solely toward bringing about in the United Nations and in NATO, and in any other organization devoted to peace, a peace which will be more than the kind of peace we have today," said the Secretary of State for External Affairs, Mr. L.B. Pearson, in addressing the House of Commons on December 8. "It is directed toward a peace which will mean more than merely the absence of fighting; and to the bringing about of a security that can ultimately be based on something stronger and more permanent than force."

Mr. Pearson, President of the United Nations Assembly, was making his first appearance in Parliament this session and dealt mainly with the work of the United Nations and the progress of the North Atlantic Treaty Organization, leaving, he said, many subjects on which he had hoped to have touched, for a later address to Parliament.

He reviewed in detail the work of the United Nations with what he said was the main challenge this session, Korea, and said the Indian resolution, which was carried 54 to 5, with the Soviet delegation and its four communist satellites voting against, was an effort to reconcile two points of view on the prisoner of war question. Canada considered the resolution to be "a resolution which could

work and which, if it did work, would bring the fighting in Korea to an end; so we in the Canadian Delegation gave it our support from the beginning." He added:

"I should like to pay a tribute to the honesty of purpose, the industry and the refusal to give way to discouragement of the Indian authors of this resolution who, at this time, and at the United Nations, took a responsibility which I think we must all applaud."

After mentioning the personal appeal which he, as President of the Assembly, had submitted along with the resolution, to the Foreign Minister of the Communist Government at Peking and the Foreign Minister of the North Korean regime, that they accept these proposals as a basis of an armistice and an eventual peace, he added:

"I do not know, of course, what the result of this transmission and appeal will be. It may mean an armistice, or it may not. I would not like to give odds on one side of the question; but whether the Communists accept this United Nations resolution or not, it surely has very great value to the United Nations and to us all even if it is turned down, because that resolution now becomes the United Nations basis from which negotiations must now begin, if they are to be resumed. And in the future

TRADE ACCORD WITH EGYPT: The Department of External Affairs announced on December 5 that following a recent exchange of notes Canada is extending most-favoured-nation tariff treatment to Egypt on a reciprocal basis with effect from December 3, 1952.

This means that henceforth Egyptian products imported into Canada will not be subject to duties or charges higher than those levied on products of other countries receiving most-favoured-nation treatment either bilaterally or through the General Agreement on Tariffs and Trade. Likewise Canadian products going into Egypt will be treated as favourably as the products of other countries with which Egypt has similar agreements.

Canada's exports to Egypt in 1951 amounted to \$2,465,518.00 and included, among the more important items, soups, automobiles, wheat and paper board. Canadian imports from Egypt included such items as rice and raw cotton.

The new arrangement will not affect any advantages accorded by Canada exclusively to other countries of the Commonwealth or to Ireland. Neither will it affect special privileges accorded by Egypt to adjoining countries and to members of the Arab League.

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NORTH ATLANTIC COUNCIL: There will be a Ministerial Meeting of the North Atlantic Council in Paris commencing on December 15. Canada will be represented by the Minister of National Defence, Mr. Brooke Claxton, and the Minister of Finance, Mr. D.C. Abbott. The chief advisers to the delegation will be Mr. L.D. Wilgress, Under-Secretary of State for External Affairs, Mr. A.D.P. Heeney, Canadian Permanent Representative on the North Atlantic Council, Lieutenant General Foulkes, Chairman of the Chiefs of Staff Committee, Mr. J.J. Deutsch, Director of the International Economic Relations Division of the Department of Finance.

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FAMILY ALLOWANCES: Children born outside Canada become eligible for family allowances after one year's residence in this country, federal welfare officials said on December 5. The statement was prompted by reports from regional family allowances offices that some confusion exists among parents who have recently come to Canada concerning when their children become eligible to receive family allowances.

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Dr. George V. Haythorne, Director of the Economics and Research Branch of the Federal Department of Labour, has been elected Chairman of an International Labour Organization meeting in Geneva on productivity.

MR. CLAXTON'S ITINERARY: The Minister of National Defence, Mr. Brooke Claxton, left Ottawa by RCAF aircraft last week-end to attend the 10th meeting of the North Atlantic Treaty Organization Council of Ministers in Paris, Lt.-Gen. Charles Foulkes, Chairman of the Chiefs of Staff, will depart later to attend the seventh meeting of NATO's Military Committee.

Prior to the NATO meeting, Mr. Claxton will visit RCAF fighter squadrons at North Luffenham, England, and the RCAF Air Materiel Base at Langar, England. The Minister will fly from the United Kingdom to Bonn where he will confer with Hon. Thomas C. Davis, Q.C., Canadian Ambassador to Germany, before visiting the 27th Canadian Infantry Brigade at Hanover. On December 13 Mr. Claxton will attend the official opening ceremony of No. 2 RCAF Fighter Wing at Grostenquin, France.

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BUSINESS FAILURES: Commercial failures in the first nine months of this year continued their post-war climb, registrations under the provisions of the Bankruptcy and Winding Up Acts rising to 1,169 as compared with 1,030 in the similar period of 1951. Estimated liabilities for the nine months were \$22,015,000, an increase of 16 per cent. The average liability per failure was \$18,832, compared with \$18,401.

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PETROLEUM RECEIPTS: Overall receipts of crude petroleum by Canadian refineries rose nine per cent in August, amounting to 14,111,434 barrels as compared with 12,985,595 in the same month last year. Crude oil received from domestic sources increased to 6,294,033 barrels from 5,627,821, and the imports were up to 7,817,401 barrels from 7,357,776.

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RESIDENT OFFICER AT VIENNA: The Department of External Affairs announced on December 5 the posting of Mr. A.J. Andrew, at present First Secretary in the Canadian Embassy at Bonn, Germany, to be resident officer at Vienna. The Canadian Minister to Switzerland, Mr. Victor Doré who is also Canadian Minister to Austria, will continue to visit Vienna periodically. In his absence, Mr. Andrew will act as Chargé d'Affaires a.i.

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HANOVER TROOP SHUFFLE: The biggest shuffle of the current soldier rotation plan took place on November 29 and 30 when over 1,650 soldiers arrived or departed the 27th Canadian Infantry Brigade in Hanover. Special troop trains were involved as 733 married officers and men departed for Canada and 923 arrived to take their places in Europe. The process of loading and unloading troops was accomplished in four hours.

(Continued from P.1)

MR. PEARSON ON WORLD AFFAIRS

that may turn out to be a very important and very useful development because, of course, this resolution, having been accepted by the United States Government, now becomes operative in respect of the unified command in Korea. And I suggest, Mr. Speaker, that whatever may happen to this resolution in Peking and Pyongyang, it has been a very worthwhile initiative to have taken, and a very valuable result has been achieved, since this initiative was taken by a great Asian country and supported enthusiastically by every other Asian, Arab and African state....

"While we may be discouraged about our lack of immediate progress in ending this campaign, with its great drain on resources and men of the United Nations, and particularly on those of the United States, and those from the Korean forces, which are bearing the brunt of the struggle and bearing it steadily and courageously, apart from that difficulty, we must not forget that we have gained also by intervention in Korea, because we have stopped aggression there, and the lesson of that action is not lost on those who would begin aggression elsewhere. I suggest, Mr. Speaker, that it is not only the course of honour, it is the course of ultimate safety not to weaken in this United Nations' operation which we have taken in Korea, while always emphasizing, taking advantage of every opportunity to emphasize, that we are ready for an honourable political solution with the Chinese communist Government.

INDIAN RESOLUTION

"The Indian resolution--indeed my letter to the Foreign Minister of Communist China--emphasized that fact, that once an armistice can be achieved in Korea--and there is supposed to be only one obstacle to that achievement--then we should be ready to sit down with the Chinese at a political conference to deal with Korean political problems generally. It is not only implicit, it is actually written in the terms of this United Nations resolution.

"If the Chinese communist Government will abandon the aggression that has been going on in Korea and refrain from participating in aggression elsewhere they have nothing to fear from us on the other side, and much indeed to gain by that course."

Mr. Pearson mentioned other "danger spots" in Asia --"Indo-China, where the situation is not propitious; Malaya, where the banditry and the fighting still goes on, though the situation is improving," and, "Iran, where there are elements of discontent which might deteriorate into chaos, and we know who exploits chaos; and indeed in the whole of the Middle East, where there is division, disruption, social unrest and political awakening."

"He outlined the difficulties of trying to reconcile the domestic jurisdiction of

sovereign states, and the administrative responsibility of some of those states over dependent peoples in their progress toward independence, with the legitimate interest of the U.N. in human rights and racial discrimination and freedom for all peoples. The U.N. was not having an easy time in this Assembly in making this reconciliation.

"The United Nations Organization--and this Assembly certainly shows it--is in a very difficult stage of its development," he proceeded. "It is having troubles and new obstacles to overcome. It is having its discouragements and its defeats, but those of us who are inclined to criticize it too prematurely, too rashly or too strongly should realize, I think, that the United Nations is not either a court or a superstate. If I may put it this way, it is only a mirror which reflects the picture of what is going on in the world today, and if the picture is unpleasant, and indeed at times terrifying, that is not the fault of the mirror if the reflection is an honest one. It is the fault of those who belong to the United Nations and who, by their policies, do not make it possible for that organization to work as it was intended it should work by those who drew up the charter at San Francisco.

WORLD IN TWO CAMPS

"Above all, it is the fault of this division of the world into two camps, and that is reflected in the cold war. Practically every item that comes before any United Nations body now, including the General Assembly, is interpreted in terms of the cold war, even the most minute and technical item; that indeed is a tragic development and one which we could hardly have foreseen when the charter was drawn up. When you are confronted at New York now with a resolution, a proposal or a statement, the first reaction of most people is not 'what does it say' but 'who said it' or 'who wrote it'? That in itself gives a fairly discouraging picture of our chances of making constructive progress in these major political issues as long as this tragic division continues.

"These difficulties are increased, I think, by the uneasiness and low morale in the Secretariat of the United Nations which is the agent for conducting the day to day business of the organization. It is a fact that in some minds and because of certain developments the international character of the Secretariat, which we so rightly stressed at San Francisco, may be lost and that members of the Secretariat will merely become the nominees of their respective governments owing loyalty not primarily to the international organization, which should be the case, but to these governments.

"Yet with all these difficulties, difficulties outside the United Nations and difficulties inside the United Nations, I suggest

that this is no time to weaken in our support for, let alone abandon support for, this indispensable piece of international machinery merely because it has falsified some of the illusions that we may have had when the charter was drafted. After all, we do not throw away a car because the wrong kind of gas stalls it.

"Having painted a rather gloomy picture of some aspects of the work of the Assembly, I think it is only fair I should add that real achievements are being made in the Seventh Assembly, and that in one sense it is a tribute to the United Nations itself and to the importance of the Assembly that these controversial political issues are being discussed there and that the big powers take this agency so seriously as to discuss them in the terms that they do. It would indeed be the end of all hope for the United Nations if it became a body merely for the exchange of meaningless courtesies. Furthermore, headline controversies should not lead to ignoring the solid achievements made by the United Nations in the social, humanitarian and economic fields. Progress is being made along those lines in this seventh session but the progress is not such as to command very much attention."

PROGRESS IN NATO

In NATO, he said, we had continued to make progress since his last report to the House. He proceeded, in part:

"There have been comments in the press from time to time that the NATO programme for 1952, agreed upon at Lisbon last February and so strongly criticized in certain quarters, will not be 100 per cent completed by the end of this year. This will, I suppose, turn out to be the case though we do not yet know exactly what the total NATO forces available by the end of this year will be. Yet on the information that has been made available to me I am quite confident now that the so-called 'Lisbon goals' for 1952--this will surprise many who thought these goals were unattainable and that the very effort to reach them would result in economic chaos--will be in very large measure achieved. I do not think I should say anything more on this subject until after the Council meeting.

"In any event, I do not think we should lay too great emphasis on mathematical targets for any given date for forces under arms, provided we are making steady progress towards our goals and are not at any time dangerously short of what has been planned for a particular period.

"In one important respect, which is sometimes overlooked, the NATO countries certainly are much stronger. Production lines for military equipment are now rolling in North America and in the United Kingdom, and very considerable progress has been made in this field in western Europe. The equipment posi-

tion of NATO forces is steadily and encouragingly improving.

"If there are some signs of lessening international tension--and there are--this is because of the growing strength and continuing unity of the North Atlantic alliance. But there is certainly nothing to warrant resting on our oars because of that fact, though, as we settle down to the long pull--I believe this is good rowing technique--we may decide to strike a somewhat slower rate. There is certainly no evidence that the Russian military strength has been reduced. There is evidence that an increasing proportion of their military budget is being spent in developing and producing new equipment to strengthen their already huge forces. They are certainly preparing for the long pull, confident that they can outlast the west and, if necessary, wait for the inherent and inevitable contradictions and conflicts of capitalist society to divide, weaken and ultimately destroy us.

REARMAMENT EFFECTS

"In this long pull we must not ignore of course--and we do not--the effects of rearmament on the economies of member nations. The national economy of nearly every European member of NATO has been a tender plant since the war, and in the case of European members particularly rearmament has meant continued sacrifices for their peoples. However urgent rearmament is, it has to proceed in accordance with the economic and political capabilities of the member states. Otherwise we would invite those economic and social conditions within member nations which would create a favourable climate for the growth of communism in our society....

"With respect to military security and national security, it is certain that we have not yet achieved it. Although we have made real progress there is still a long way to go in making NATO a defensive bulwark against aggression and as one element in that security. The risk of aggression remains and our recent gains in defensive strength must be consolidated and extended, and our co-operation strengthened and enlarged before we can feel safe. So, I suggest, we must press ahead in our own country, and in other countries of NATO, not merely with strengthening the military side of the alliance but also with building its political, economic and moral strength as well; here progress is sometimes difficult and discouragingly slow.

"We have no reason to assume on our part that there has been any change of policy or of heart on the part of the Kremlin and its satellites in recent months since Stalin has laid down the new party line--characteristically enough in an article in a magazine. It is possible, however, that there has been a switch in tactics in Moscow, as has frequently happened before in the history of communist

imperialism. During the immediate postwar period its aim in the west was to extend political control over whatever areas its armies occupied, and to exploit the postwar instability in other countries of western Europe so as to bring into power governments which would be friendly and could ultimately be controlled by the Kremlin. But the Governments and peoples of the democracies have awakened to the danger and, particularly through NATO, have begun to organize their defences against it. An immediate present aim of the Kremlin is clearly to stop this progress toward security and unification by dividing and wrecking the North Atlantic Treaty Organization, by exploiting distrust of the United States within and without that organization.

PROPAGANDA OFFENSIVE

"With this object in view Communist imperialists have mounted an offensive of propaganda and subversion designed to weaken, confuse, and discourage the democracies. The main vehicle of this offensive, that is up to the present although there have been some signs that it has been abandoned, is the so-called 'peace campaign' in which not only the formal peace organization but all communist-front organizations are actively working. Meanwhile, much emphasis is being placed on the possibility of peaceful co-existence between the communist world and the democratic world 'which only the warmongering policies of the United States prevent'--so goes the line, and some misunderstanding is being caused by it.

"The ideal of 'peaceful co-existence', in which indeed every man of good will must believe, presupposes an absence of aggressive intention. The communist imperialists have not produced any evidence that their policies have in fact become compatible with their peaceful professions. They certainly have not produced any such evidence in the present Assembly of the United Nations. A genuine policy of peaceful co-existence implies a readiness to co-operate for the purposes of peace and for the promotion of human welfare. Instead of a readiness to co-operate for these purposes, the communist imperialists resort to propaganda campaigns of hatred and falsehood. 'Peaceful co-existence' in Soviet terminology seems indeed to mean simply all mischief short of war, just as Soviet policy seems to mean military aggression if necessary but not necessarily military aggression."

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WHEAT FLOUR 5-YEAR HIGH: Wheat flour production rose 19 per cent in October to 2,302,489 barrels -- a five-year high for the month -- as compared with 1,939,397 in the corresponding month last year. This brought the cumulative total for the first three months of the current crop year to 6,366,232 barrels, a gain of 17 per cent over last year's August-October total of 5,420,932 barrels.

CARE OF INDIANS, ESKIMOS: The following is an excerpt from an address at the opening of the Third Session of the Council of the Northwest Territories on December 8, by Major General H.A. Young, C.B., C.B.E., D.S.O., Commissioner of the Northwest Territories, in which he outlined some of the welfare and educational work being undertaken among the Indians and Eskimos:

"In the early days of the Northwest Territories hospital services and education were provided by the religious missions, with the assistance of operating grants from the Government. Doctors paid by the Government were located at key points. Welfare work was conducted by the missions, and the relief of distress was undertaken in part by the Government and in part by many of the traders, who presumably hoped to recoup in good years what they gave out in bad years.

"Recently the facilities provided by the missions have expanded, with assistance from the Government. At the same time, the Government has greatly increased its own social services. Six nursing stations are now operated at centres in the Territories not adequately served by hospitals.

DOCTORS INCREASED

"In addition to its own construction programme and its assistance to the mission hospitals, the federal Government has given capital and operating grants to the Yellowknife Red Cross hospital. The number of doctors has been increased, and, through the National Health Grants, arrangements are under way to assist local authorities in providing public health nursing services at certain key centres. Each year an x-ray unit visits the majority of the settlements in both the Mackenzie District and the Eastern Arctic, and while principally designed for the service of the native population, every person who can be reached is given a routine chest x-ray. The services of oculists and dentists are provided by the Indian Health Services.

"The need for expanded hospital facilities has arisen not only from the growing population but also because the new services provided by the Government have greatly assisted the detection of disease among the natives, particularly tuberculosis. Cases requiring treatment not available in the Territories are taken outside, usually to Edmonton, Montreal or Quebec.

"In welfare services the Government has also greatly expanded its activities. One or more welfare teachers, giving part of their time throughout the year to welfare work in the community, are on the staff of each Territorial school. Plans are under way to assist the local authorities in providing the services of a part time welfare worker at Yellowknife. Family Allowances and Old Age Pensions are paid to all eligible residents of the Territories, and agreements have been entered

into by the Territorial and federal Governments covering Old Age Assistance and Blind Pensions. In relief, for other than Indians and Eskimos, the Territorial Government has assumed 80% of the burden within Local Administrative Districts and the whole of the burden elsewhere.

"As the need for health and welfare services has increased, so has the need for educational facilities. The Government gave substantial assistance to the building, and subsequent expansion, of the Yellowknife Public School, and is giving assistance to the Separate School. Finally, the Government has established since the end of the war four territorial schools, seven Indian schools, and eight schools intended primarily for Eskimos...."

* * * *

JUNIOR SCIENTISTS: The investigations of junior staff scientists will feature the Defence Research Board's fourth annual symposium to be held December 8 to 10 in Ottawa.

The annual conferences provide the Board's young researchers with a medium for presenting classified materiel to senior Canadian scientists associated with defence research. Because of security implications, the papers cannot be published in the scientific journals.

The symposia serve as well to familiarize members of the Armed Services and the Board's scientific staff with overall DRB activities and to provide opportunities for the exchange of scientific information. They are designed also to encourage the younger scientists by providing a means of disseminating the results of their research as widely as possible throughout scientific circles.

The papers to be presented will deal with the major fields of chemistry, physics, medicine and operational research. They will cover the activities of DRB establishment with stress on the detailed applications of science to military and defence problems.

Dr. O.M. Solandt, Chairman of the Defence Research Board, has extended invitations to the Board's advisory committees and research panels, members of the Armed Services, the National Research Council and other interested Canadian research organizations. Invited also are scientific representatives from the British Ministry of Supply and the Research and Development Board of the United States.

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AIR REVENUES RISE: Canadian air carriers, including their international services, continued to show considerably improved revenues in April, total for the month rising 34 per cent to a new peak of \$7,066,211 as compared with \$5,278,389 a year earlier. Operating expenses also were much higher this April, advancing 35 per cent to \$6,907,150, with the result that net operating revenues rose only slightly from \$151,918 to \$159,061.

FIGHTER WING FOR NATO: The RCAF's first post-war air base in Continental Europe, Grostenquin near Metz, France, will be the scene of a significant NATO ceremony on Saturday, December 13, it has been announced by National Defence Headquarters. At that time, in the presence of numerous dignitaries, No. 2 RCAF Fighter Wing will be formally transferred to the operational control of NATO.

When the Minister of National Defence, Mr. Brooke Claxton, hands over the three-squadron Wing to Supreme Headquarters, Allied Powers Europe, he will officially initiate active RCAF participation in Continental European defence. This Wing consists of 416, 421 and 430 Fighter Squadrons, and is the first of four which will comprise the Canadian Air Division and which will all be located on the Continent.

Defence Minister Rene Pleven will represent France, the host nation, at the ceremony. Accepting the Wing will be General Alfred M. Gruenther, Chief of Staff of SHAPE.

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LIVING COST UP SLIGHTLY: The Dominion Bureau of Statistics consumer price index increased 0.1 per cent to 116.1 between October 1 and November 1 to mark the sixth month of a plateau during which the index has not moved more than 0.1 per cent. Only fractional changes were recorded by any of the group indexes between October 1 and November 1, with two advancing and three declining. Foods showed the largest change in advancing 0.5 per cent to 115.7. The clothing index declined 0.1 per cent to 109.8.

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\$100 BILLION IN CHEQUES: Value of cheques cashed rose six per cent in October, totalling \$11,279,136,000 as compared with \$10,618,514,000 in the same month last year. This brought the cumulative value for the first 10 months of the year to \$101,528,500,000, 11 per cent above last year's corresponding total of \$91,313,389,000.

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LEADING MINERALS: Crude petroleum, natural gas, and iron ore set new high production records in the first nine months of this year, while substantial gains over a year earlier were shown for silver, zinc, and cement. There were declines in output of copper, coal, gypsum, and lime.

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WHOLESALE PRICES DOWN: The general wholesale price index declined a further 0.5 per cent to 221.0 between September and October. With one exception (June, 1952) this marked the 15th consecutive month of lower levels for this index. Seven of the eight major groups moved down between September and October.

CANADIAN WEEKLY BULLETIN



INFORMATION DIVISION
 DEPARTMENT OF EXTERNAL AFFAIRS
 OTTAWA - CANADA

Vol. 8 No. 5

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WEEK'S EVENTS IN REVIEW

PETROLEUM INVESTMENT: Investment in Canada's mushrooming petroleum industry more than quadrupled in six post-war years from \$296,000,000 in 1945 to \$1,225,000,000 in 1951 with both Canadian and foreign capital contributing substantially to the heavy expansion and development. The Bureau of Statistics reported November 29. This is the growth which has occurred in all branches of the industry in Canada -- exploration, development, refining, transportation, and merchandising -- as measured by the book values of the many hundreds of companies concerned.

In a special report on the international distribution of ownership of the industry, the Bureau disclosed that the biggest jump was in the investment of United States residents which soared \$521,000,000 in the six years from \$115,000,000 to \$636,000,000.

Canadian investment rose by \$406,000,000 from \$172,000,000 to \$578,000,000, and the investment of residents of the United Kingdom and other countries by \$2,000,000 from \$9,000,000 to \$11,000,000.

The period saw changes in the proportions of the industry owned by the residents of Canada, the United States, and the United Kingdom and other countries. Of the total investment at the end of 1945, 58 per cent was owned by Canadians, 39 per cent owned in

the United States, and three per cent in the United Kingdom and other countries. At the close of 1951, Canadian investment accounted for 47 per cent of the total amount, the investment of United States residents for 52 per cent, and the investment of residents of the United Kingdom and other countries the remaining one per cent.

Contributing to the change in value of United States investment was the capital inflow of \$532,000,000 in the six years for petroleum investment, which represented over one-third of the net capital movement from the United States to Canada. Of this amount, \$221,000,000 crossed the border in 1951. Investment in companies controlled in the United States claimed \$460,000,000 of the total inflow, and the balance went into minority investment in companies controlled in Canada. At the end of 1951 the book value of United States investment in companies controlled in that country amounted to \$556,000,000 or 45 per cent of the industry total as compared with 36 per cent of the industry total at the end of 1945.

In 1951 Canadian investment in companies controlled in Canada accounted for 31 per cent of the total investment in the industry, and United States investment in these companies for 6.5 per cent. Canadian investment in com-

panies controlled in the United States represented 16 per cent of the industry total, and the investment of residents of the United Kingdom and other countries for 0.5 per cent. Companies controlled in Canada accounted for 37.6 per cent of the total investment in the industry in 1951, companies controlled in the United States for 62 per cent, and companies controlled in the United Kingdom and other countries for 0.4 per cent.

Although the Canadian petroleum industry included hundreds of exploration and development companies, refining companies, merchandising companies, and transportation companies in 1951, the largest company accounted for about one-third of the total investment in the industry.

Book values which are shown above reflect profits and losses and accounting adjustments in addition to capital movements. The values apply to all aspects of the industry and cannot be used as a guide to the international distribution of the ownership of petroleum reserves in this country.

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OCTOBER TRADE: A summary of foreign trade figures for October released by the Dominion Bureau of Statistics shows a small increase in the value of Canada's total domestic exports to \$372,000,000 from \$371,000,000 in October last year, and a substantial rise in the estimated total value of imports to \$377,700,000 from \$344,100,000.

Domestic exports to the United States were practically unchanged at \$206,700,000 compared with \$207,100,000, but declined to the United Kingdom to \$48,800,000 from \$64,000,000. Estimated imports from the United States rose to \$277,400,000 from \$238,300,000, and from the United Kingdom to \$36,900,000 from \$32,700,000.

The October import figures are preliminary.

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SERVICES STRENGTH 100,000: Canada's three Armed Services recruited a total of 2,368 officers and men for the regular force during October, it was announced on November 27 at National Defence Headquarters. This raised the total strength of the services as of October 31 to 99,822 officers and men.

On November 11, Defence Minister Brooke Claxton announced that the strength of the services had passed the 100,000 mark, based on available recruiting figures for the early part of November.

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MILITARY CONFERENCE: Senior officers from the United States, United Kingdom, and Canada concluded successfully on November 10, 1952, four days of discussion on infantry matters. The conference was held at La Citadelle, Quebec City.

POPULATION ANALYSIS: Canada had a larger percentage of native-born citizens in 1951 than in any other census year since the turn of the century, the Bureau of Statistics has announced. In a bulletin detailing population by birthplace and sex the Bureau reported that 85.3 per cent of the population was Canadian-born in 1951 as compared with 82.5 per cent in 1941, 77.8 per cent in 1931, 77.7 per cent in 1921, 78 per cent in 1911 and 87 per cent in 1901.

Between 1941 and 1951 Canada's native-born population rose by 2,461,710 or almost 26 per cent from 9,487,808 to 11,949,518. In the same period the total population increased by 2,502,774 or nearly 22 per cent from 11,506,655 to 14,009,429. The entry of Newfoundland into Confederation accounted for 361,416 of the increase in total population and 357,857 of the increase in Canadian-born population.

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CURRENT AFFAIRS STUDY: The Current Affairs programme for Canada's Armed Forces will receive added momentum from the second annual Conference on International Affairs to be held in Hart House, University of Toronto, starting December 8. Approximately 50 senior officers, forming a cross section of the three armed services from stations all across Canada, will attend the four-day conference.

The conference, sponsored by the Bureau of Current Affairs of the Department of National Defence, in cooperation with the Canadian Institute of International Affairs, will deal with some of the military, political and economic situations in countries in the forefront of today's world.

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SPECIAL AMBASSADOR: The Department of External Affairs announced on November 28 the appointment of Mr. Charles Pierre Hébert, Canadian Ambassador to Mexico, as Special Ambassador for the inauguration of the new President of Mexico, His Excellency Adolfo Ruiz Cortinez, who succeeds President Miguel Aleman Valdés. The ceremonies took place in Mexico City from November 28 to December 3.

The Ambassador transmitted to the new President a message from the Prime Minister extending his congratulations and best wishes to the Government and people of Mexico.

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"IROQUOIS" RELIEVED: HMCS Iroquois is en route back to Canada after having completed a six-month tour of duty in the Korean war theatre, Naval Headquarters announced on November 26.

The Iroquois has been relieved by HMCS Athabaskan, back for her third operational tour in the Far East. Bound ultimately for her home port of Halifax, the Iroquois will arrive at Esquimalt, B.C., December 17.

AID U.S. ON EXPORT CONTROL: The Minister of Trade and Commerce, Mr. C.D. Howe, on December 2 announced revisions to export control regulations designed to prevent goods, particularly those from United States sources, from being imported into Canada and then re-exported elsewhere in order to circumvent the United States export control policy.

An export permit is required for the re-exportation from Canada of goods originating in the United States, unless the goods have been further processed or manufactured in Canada, so as to increase their value substantially or to change their form. In the latter event, they would be regarded as goods from Canadian production, under export permit regulations.

Goods of United States origin, which move through Canada to an overseas destination on a bill of lading originating in the U.S., do not require a Canadian export permit if the shipment is accompanied by a copy of the U.S. export declaration. This declaration must be presented to the Canadian Customs authorities at seaport. If there is any change in this "through billing" while the goods are in transit, a Canadian export permit will then be required.

CANADIAN ORIGIN

Particular attention is directed to the new requirement affecting exports of Canadian origin which do not require an export permit under Canadian regulations. A statement must now be made on the Canadian Customs export declaration for all such license-free exports going to overseas destinations, as follows: "This shipment does not contain goods of United States origin not further processed or manufactured in Canada, and the export is not being made contrary to Canadian export permit regulations."

Mr. Howe said that United States export controls are not applicable on United States exports to Canada. Accordingly, many commodities, including a large volume of industrial materials, components and equipment, can move freely across the Canada-United States border, whereas export licenses are required for the shipment of United States goods to all other countries.

This is a further indication of the close working arrangements between Canada and the United States in the joint defence effort. The procedure entails the assumption of added responsibilities by Canada, however, particularly affecting the joint control of exports of strategic materials by Canada, the United States and other "free" countries.

Mr. Howe said: "We cannot allow this open border to serve as a back door through which United States goods can escape the effect of United States export controls, particularly where this would defeat efforts to conserve supplies of strategic materials for the joint defence requirements of ourselves and our

allies or would have the effect of nullifying regulations intended to prevent these materials reaching destinations in Iron Curtain countries."

SECURITIES TRADE: Canada had a purchase balance in trade in outstanding securities with all countries of \$55,700,000 in the first nine months of this year in contrast to a sales balance of \$58,000,000 in the similar period of 1951. In the third quarter of this year the trade produced a purchase balance of \$50,000,000, following net purchases of \$14,000,000 in the second quarter, and net sales of \$8,000,000 in the first quarter.

In September there was a purchase balance of \$13,800,000 as compared with \$19,800,000 in August. Net purchases from the United States as in July and August, outweighed net sales to the United Kingdom and other countries.

The strong demand for Canadian funds arising from direct investment inflows and net new issues and from current account transactions is reflected in the rising value of the Canadian dollar in terms of United States funds in the first nine months. The strength of the Canadian dollar in turn contributed to a capital outflow on outstanding securities account, and to other equilibrating short-term capital outflows mainly in the form of increases in private balances and receivables, and decreases of commercial and other short-term indebtedness abroad.

On balance, capital movements during the nine months have decreased Canada's net international debtor position, apart from the effects of reinvested earnings. The small current account surplus which Canada had with all countries in the first nine months of 1952 contrasts with a substantial current deficit in the corresponding months of 1951.

In the third quarter of 1952 sales of new issues of Canadian securities in the United States, which are not included in the trade in outstanding securities, fell to about \$20,000,000, bringing the total for the nine months to over \$270,000,000. Retirements in the quarter were relatively small, and net new issues for the nine months were about \$220,000,000.

In addition, inflows of foreign capital for direct investment in Canadian industry, mainly from the United States were heavier than in earlier quarters; for the nine months the rate has been near that prevailing over the whole of 1951 when the total for the year reached \$300,000,000.

Since September 1951 Canadians have repurchased \$219,000,000 Government of Canada direct and guaranteed debt. After taking into account retirements, repatriation in the 12-month period has more than equalled the net movement of foreign capital into this group of issues during the whole of 1950 when massive inflows took place.

146,236 IMMIGRANTS: Mr. Walter Harris, the Minister of Citizenship and Immigration, announced on December 3 that during the month of October a total of 10,940 immigrants entered Canada, bringing the total for the first ten months of the year up to 146,236. This compares with a total of 152,473 for the same period of 1951.

Of the number arriving in October 5,966 were dependents, either accompanying the head of the family or coming to join close relatives here. In this group were 2,375 wives and 3,026 children. Skilled workers comprised the largest single group in the 4,974 workers who arrived, with a total of 1,244. Other major groups among the workers were 870 unskilled and semi-skilled, 764 female domestics, 748 professionals and 315 destined for Canadian farms.

The month's figures showed a continuation of the increase in immigration from Great Britain with 3,856 English, Irish, Scottish and Welsh arriving in October of this year as compared with 3,123 in the same month a year ago. Total arrivals from the United Kingdom in the ten months of this year now stand at 36,637, as compared with 25,058 during the same ten months of 1951. Representing an increase of 46 per cent, the ten-month British arrivals are almost 5,300 in excess of the twelve-month total of 1951.

Also exceeding the total twelve month figures of 1951 are the number of immigrants who have come to Canada from the United States and the number of Canadians who have returned to Canada from that country. In the ten months of this year 7,904 United States immigrants have come to Canada and in the same period 4,104 Canadians have returned. During all of 1951 the total of United States immigration was 7,732 and of returning Canadians 3,635. October figures themselves showed 927 immigrants from the United States, an increase of 28 per cent over the 722 who arrived in the same month a year ago and 311 returning Canadians, as compared with 291 in October 1951.

While figures from the United Kingdom and the United States are up, the total immigration for the ten months is down four per cent or 6,177 over the total of the first ten months of 1951.

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PAYROLLS RECORD: Employment, payrolls, and average weekly wages in Canada's principal industries rose to new peak levels at the beginning of October, according to preliminary figures released by the Dominion Bureau of Statistics. The advance index of employment climbed to 192.0 from 190.6 at the beginning of September, and 186.5 at October 1 last year, while the payrolls index advanced to 449.9 from 442.7 a month earlier, and 410.0 a year ago. Average weekly wages and salaries increased to \$55.03 from \$54.55 at the beginning of September, and \$51.59 a year earlier.

CANADA-U.S. AIR DEFENCE: The Acting Secretary of State for External Affairs, Mr. Brooke Claxton, made a statement in the House of Commons on December 1 on Canada-U.S. co-operation for the air defence of North America. The statement was made after Mr. M.J. Coldwell, CCF Leader, asked, "Under what authority do United States planes cross into Canada for the purpose of investigating planes flying over Canadian territory?"

The Minister replied:

"As hon. members know, the defence of North America must be regarded as a single operation, and in consequence of recommendations of the Permanent Joint Board an arrangement has been worked out related to the defence of North America against air attack. The important element in this arrangement is that air defence identification zones have been set up along both sides of the international border and along both coasts. Civil aeronautical regulations require that any aircraft operating in these zones should file flight plans.

"Any unidentified aircraft flying in an air defence zone near the international border and apparently heading toward the border is liable to interception for purposes of identification by military aircraft of the country towards which the unidentified aircraft is believed to be headed. For this purpose United States Air Force aircraft may cross the border into Canada and R.C.A.F. aircraft may cross into the United States. Interceptor aircraft must obey the rules of interception procedure laid down by the country over which the interception is made. United States aircraft when flying over Canada are not permitted to order any aircraft to land."

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CANADIAN SANTA: In an effort to alleviate some of the hardship being suffered by thousands of German East Zone refugees now in Hanover, Germany, and to give a little Canadian spirit to unfortunate children, 27th Canadian Infantry Brigade Group has launched an appeal for soldier contributions.

The appeal to all units for Christmas comforts asks for contribution of cash donations, clothing, shoes, tinned food stuffs, etc. As suitable used clothing and shoes are not available to Canadian troops in Germany, it is expected that cash contributions will form the largest portion of Canadian gifts.

According to German officials in Hanover, there are more than 60,000 displaced people in and around the city.

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As has been the custom for several years, the Canadian Travel Bureau will be represented with an exhibit at the National Travel Show in Chicago from February 20 to March 1 next, the Minister of Resources and Development, Mr. Robert H. Winters, has announced.

200 N.R.C. SCHOLARSHIPS: By next spring, the National Research Council intends to award about 200 postgraduate scholarships to persons who apply before February 1. These scholarships will be awarded for study in the fields of science and engineering during 1953-54. Most of these awards will be held at Canadian universities and the remaining awards (about 20) at institutions outside Canada.

The awards tenable at Canadian universities are divided into bursaries of \$600 each, studentships of \$900 each, and fellowships of \$1200 each. These awards may be extended with an extra \$500 for the summer months, if the extension is recommended by the research supervisor. Bursaries are awarded to those graduates who have no previous research experience, studentships to those with at least one year of research, and fellowships to those in their last year of work on a Ph.D.

Awards tenable outside Canada are divided into special scholarships valued at \$1500 for 12 months, and postdoctorate overseas fellowships valued at \$2500 for 12 months. The special scholarships are intended for those who either have completed or are completing their work on a Master's degree. The postdoctorate overseas fellowships are intended to provide specialized training.

Applications should be addressed to the Awards Officer, National Research Council, Ottawa.

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OLD AGE SECURITY: The number of persons receiving old age security payments in Canada increased by about 7,400 over the past three months and stood at 675,423 at the end of October the Minister of National Health and Welfare, Mr. Paul Martin, announced on December 2. This total is about 95 per cent of all persons in Canada 70 years of age or older.

More than 6,100 persons received the \$40 payment for the first time in October, Mr. Martin said. Of this number more than a thousand could have been paid last January when the programme began if they had sent in their applications in time. Payments are not retroactive.

The October figures show the number of pensioners by provinces as: Newfoundland, 14,746; Prince Edward Island, 6,547; Nova Scotia, 35,668; New Brunswick, 25,376; Quebec, 144,699; Ontario, 248,573; Manitoba, 39,249; Saskatchewan, 39,145; Alberta, 38,484; British Columbia, 75,281; Yukon and the Northwest Territories, 453.

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In 1952, 380,250 colonies of bees owned by 15,790 Canadian beekeepers produced an estimated 29,677,000 pounds of honey as compared with 40,909,000 pounds produced by 406,340 colonies owned by 18,900 beekeepers in 1951.

HOUSING STARTS INCREASE: Starts on the construction of new dwelling units jumped sharply in September for the fourth month in a row in contrast to declines in the first five months of the year. Completions dropped in September following a gain in August, but declines were general in the January-July period. As a result of these trends there was a small rise in the total number of dwellings in various stages of construction at the end of September.

The number of dwelling units on which construction was started in September was 8,529 as compared with 9,461 in August and 5,538 in the corresponding month last year. The September increase raised the cumulative total for the first nine months of this year to 62,040 units as compared with 57,587 in the similar period of 1951.

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SALMON PRESERVATION: The federal Minister of Fisheries, Mr. James Sinclair, has announced the award of a half-million-dollar contract for the removal of the huge rock and earth slide in the Babine River Canyon in northern British Columbia.

It calls for the removal of approximately 130,000 cubic yards of rock and earth from the bank and bed of the Babine River, where it endangers valuable runs of salmon of the Skeena River system. Work is to be started immediately so that the river can be restored to its natural condition before the advent of spring floods and the arrival of the 1953 salmon run.

The slide, which created a problem comparable to that of 1914 at Heald's Gate on the Fraser River, occurred sometime during the summer of 1951, at a point 62 miles north of Hazelton. The bulk of that year's Babine River sockeye run was blocked from the spawning grounds.

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CIVIL DEFENCE TRAINING: Operation of a mobile provincial training school is among civil defence projects whose costs will be shared by the federal and British Columbia Governments, the federal Minister in charge of civil defence, Mr. Paul Martin, announced on December 1.

Approval has been given by Ottawa to British Columbia civil defence plans which include the continued operation of a mobile school providing courses on a progressive basis in the various municipalities of the province. It has been agreed that this method of training is particularly valuable in a province with the geographical and topographical features of British Columbia, where a large portion of the territory is separated from the mainland and where the remainder is divided by high mountains.

10 MONTHS' DOMESTIC EXPORTS AT ALL-TIME PEAK

TOTAL \$3,512,700,000: Canada's domestic exports in the first ten months of this year soared to an all-time peak value of \$3,512,700,000 for the period, outstripping by 11 per cent last year's corresponding January-October value of \$3,155,600,000. There were gains over 1951 in each month of the year except July and August. The value for October was \$372,400,000, slightly above last year's high October total of \$371,000,000.

Exports of foreign produce rose in value in October to \$5,430,000 from \$4,658,000 in the corresponding month last year, bringing the cumulative total for the first 10 months of this year to \$45,820,000 as compared with \$38,300,000.

EXPORT PRICES

The steady decline in export prices which has continued for almost a year was halted in October due in part to the lower foreign exchange value of the Canadian dollar. For the first 10 months of 1952 the average prices of exports were almost the same as in the first 10 months of 1951. The volume of domestic exports was almost 12 per cent above that of the first 10 months of 1951, although the volume gain in October alone was only about six per cent.

The gain in export volume in 1952 has been chiefly in sales to overseas countries. Ten-month exports were larger to the United Kingdom, but slightly lower to the United States. Shipments to other Commonwealth countries as a whole moved up in value and there were large increases in the totals to Continental Europe, Latin America, and other foreign countries. In October, exports to the United Kingdom dropped in value, while exports to the United States were practically unchanged. To the rest of the Commonwealth shipments were generally lower in value but there were substantial gains to Europe, Latin America, and other foreign countries.

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MONTGOMERY TO VISIT: Field Marshal Viscount Montgomery of Alamein, Deputy Supreme Commander, will visit Canada and the United States for a month in the Spring of 1953, it was announced on December 2 at National Defence Headquarters.

Field Marshal Montgomery will arrive in New York March 25 and remain in the United States until April 15. From April 15 to April 24 he will visit Canada before returning to Supreme Headquarters Allied Powers in Europe.

In addition to meetings with Defence and governmental officials in Canada and the United States, the Field Marshal will devote much of his time to visiting military schools and installations to enable study at first hand of Canadian and American training methods.

There was a mixed trend in the value of exports of major commodities in the 10 months ending October. Chief among the gains were wheat and other grains, newsprint paper, aluminum and products, copper and products, nickel, zinc, and asbestos. There were declines in wheat flour, planks and boards, and wood pulp. In October, wheat, other grains, wheat flour, aluminum and products, and copper and products advanced in value, but the majority of other principal commodities declined.

Exports to the United States in the 10-month period amounted in value to \$1,876,338,000 as compared with \$1,898,474,000 in the similar period of 1951, while the October total was down slightly to \$206,709,000 compared with \$207,132,000. Principal increases both in the 10 months and October occurred in agricultural products, and non-ferrous metals, while chief declines were in animals and animal products, due to the U.S. embargo on Canadian beef and cattle, and in wood and paper.

EXPORTS TO U.K.

Exports to the United Kingdom advanced 22.5 per cent in the January-October period to \$625,433,000 from \$510,329,000 in the similar 1951 period, but the October value dropped 23 per cent to \$49,143,000 from \$63,960,000. Advances were general among the principal commodities in the 10 months, but October values were lower for the most part.

Shipments to other Commonwealth countries climbed in value in the 10 months to \$223,526,000 from \$194,747,000 in the similar 1951 period, but the October value fell to \$15,403,000 from \$27,030,000.

There was a steep gain in exports to the Latin American group of countries in the January-October period to \$228,383,000 from \$153,013,000 in the corresponding period of 1951.

Gains in exports to the majority of countries raised the 10-month exports to Continental Europe to \$396,030,000 from \$273,374,000 in the corresponding period of 1951.

AMBASSADOR TO URUGUAY: In recognition of the desirability of establishing direct diplomatic relations between them, and the importance of their commercial relations, the Governments of Canada and Uruguay have agreed to exchange missions of embassy rank.

Major-General L.R. LaFlèche, D.S.O., has been appointed Canadian Ambassador to Uruguay and will act in that capacity as well as carry out his present functions as Ambassador to Argentina. An Embassy will be established in Montevideo which, during the absences of the Ambassador, will be under the direction of a resident Chargé d'Affaires.

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WEEK'S EVENTS IN REVIEW

OPENING OF PARLIAMENT: Two motions of non-confidence in the Government were moved in the House of Commons on November 24 as the House proceeded with consideration of the Speech from the Throne which was read by Governor General Vincent Massey at the opening of the Seventh Session of the Twenty-First Parliament on November 20.

Mr. George Drew, Leader of the Official Opposition, first addressed the House on November 24, summarising his criticisms in the following motion, which was seconded by Mr. Gordon Graydon (Progressive Conservative, Peel):

"We regret that your Excellency's advisers have failed:

(a) To relieve Canadian taxpayers from the burden of excessive and unjust taxation;

(b) To eliminate waste and extravagance and thereby reduce taxes and the cost of living;

(c) To take any effective steps to regain the Commonwealth markets for food and other products upon which the prosperity of our farmers and other basic producers so directly depends;

(d) To conduct inquiries in consultation with the provincial governments, so that necessary information may be available for the dominion and provincial Governments to consider jointly a national health insurance programme;

(e) To reach agreement with the provincial governments in regard to a clearly defined re-allocation of taxing powers so that the provincial governments and municipal councils may

have adequate financial resources to carry out their rapidly increasing responsibilities."

Quoting from the Speech from the Throne the phrase, "there are signs of a lessening of the danger of an outbreak of war on a global scale," Mr. Drew declared it to be "of supreme importance that the Government give the facts upon which such statement was based and also clearly indicate the inference that is to be drawn from this statement."

In his reply to Mr. Drew's address, the Prime Minister said on this point:

"It never was intended to imply that it was possible to lessen our efforts to build up and maintain the combined forces of the free nations in Europe. I do not want to pose as a military expert, but as a Canadian citizen I do not feel that there are sufficient allied forces on the continent of Europe at this time to resist aggression from the Soviet forces. I feel quite convinced that strength has to continue to be built up and will then have to be maintained as an insurance premium against the possible outbreak of war in that important section of the free world...."

On the subject of the nation's war effort Mr. St. Laurent said, in part:

"When it is said that we have nothing to show for the sums that Parliament has appropriated, we should not forget that the regular personnel of our services before Korea was 47,185 and that it has recently reached over 100,000. This is the largest number ever maintained, outside of war periods, by this young nation.

(Continued on P.5)

PROVINCIAL REVENUE AND EXPENDITURE: Both the total net general revenue and the total net general expenditure of Canada's ten provincial governments increased substantially in the fiscal years ended March 31, 1952, over the previous year, with net general revenue showing a somewhat greater percentage advance than net general expenditure, according to a preliminary analysis of revenue and expenditures of these governments compiled and released by the Bureau of Statistics.

The analysis is based, so far as possible, on actual results for ten months and a forecast for the remaining two months and is intended to be only a preliminary forecast of what the final tabulations will reveal when the provincial public accounts are all available.

Net general revenue of the ten provinces totalled \$1,047,983,000 in the year ended March 31, 1952, an increase of 13.5 per cent over the preliminary total of \$923,571,000 for the previous twelve months; and net general expenditure aggregated \$1,082,747,000, up 12.5 per cent from the preliminary total of \$962,406,000 for the previous year.

The yield of all taxes in the 1952 year totalled \$554,864,000, a rise of \$88,700,000 or about 19 per cent from \$466,164,000, accounting for the major part of the gain in total revenue. Among the major items in tax revenue, the yield from taxes on sales of motor fuel and fuel oil rose to \$180,863,000 from \$154,116,000, from corporation income taxes to \$159,771,000 compared to \$122,889,000, and from general sales taxes to \$90,226,000 from \$72,415,000. Profits from liquor sales continued to rise, amounting to \$111,863,000 as against \$107,556,000. Revenue from privileges, licences and permits also increased to \$219,485,000 from \$199,937,000.

* * * *

PIPED OIL RECORD: Deliveries of oil through Canada's network of pipe lines jumped to a record 10,060,973 barrels in July, an increase of 10.2 per cent over the revised June movement of 9,133,760 barrels, and 18.4 per cent over last year's July total of 8,498,635 barrels. This brought the cumulative total for the first seven months of 1952 to 56,291,979 barrels, for an increase of 18.6 per cent over last year's corresponding total of 47,446,761 barrels:

* * * *

CANADA-U. S. TRAVEL: Travel between Canada and the United States by rail, bus, boat and plane was higher in August than in the same month last year, the total number of passengers by all four means of travel rising to 457,264 from 429,556 in August, 1951. Entries of visitors from the United States increased to 276,494 from 264,408, while returning Canadians rose in number to 180,770 from 165,148.

OLD AGE ASSISTANCE: At the end of the first nine months' operation, 81,016 persons were receiving financial aid under the federal-provincial old age assistance programme for persons between 65 and 69 years of age, the Minister of National Health and Welfare, Mr. Paul Martin, disclosed at Ottawa on November 20. This is about 16 per cent of the number of persons in Canada in this age group.

The programme, begun last January, provides for a payment of up to \$40 per month to persons with a limited income. The cost is shared equally by the federal and provincial governments, with the federal share to the end of September totalling \$11,701,580.

Federal welfare officials noted that the number of persons receiving assistance is considerably lower than the estimated figure of 140,000 anticipated when the programme was discussed in the parliamentary committee on old age security two years ago. Initial costs to the federal government will also be well below the estimated \$32,000,000 a year.

At the end of September the number receiving old age assistance by provinces was: Newfoundland, 4,754; Prince Edward Island, 494; Nova Scotia, 4,230; New Brunswick, 4,996; Quebec, 28,148; Ontario, 19,424; Manitoba, 3,656; Saskatchewan, 4,065; Alberta, 4,210; and British Columbia, 7,039.

* * * *

WHEAT SUPPLIES: Visible supplies of Canadian wheat in store or in transit in North America during the week ended November 6 amounted to 246,044,000 bushels as compared with 227,005,000 on the corresponding date last year. Farmers' marketings of wheat totalled 11,675,000 bushels against 9,465,000 a year ago, bringing the aggregate for the crop year to date to 167,450,000 bushels compared with 162,230,000 in the similar period of 1951-52. Overseas export clearances during the week amounted to 6,628,000 bushels compared with 4,151,000, and in the cumulative period, 75,937,000 bushels against 62,663,000.

* * * *

ELECTRIC OUTPUT HIGHER: Output of electric energy by central electric stations climbed 13 per cent in September to 4,993,148,000 kilowatt hours as compared with 4,405,976,000 in the same month last year. This raised the cumulative total for the first nine months of 1952 to 45,610,401,000 kilowatt hours against 42,488,230,000 a year earlier, or by seven per cent.

* * * *

HOUSING STARTS INCREASE: Housing starts in Canada showed an upward trend during May, June and July of this year, numbering 29,700 dwellings, or eight per cent above the number of starts in the corresponding period of 1951.

BUDGETARY SURPLUS SHRINKS TO \$287.9 MILLION

OCTOBER DEFICIT: During October budgetary expenditures of the Government exceeded budgetary revenues, resulting in a deficit of \$3 million, whereas in October last year there was a surplus of \$71.1 million. For the first seven months of the fiscal year the excess of budgetary revenues over budgetary expenditures was \$287.9 million, a decrease of \$216.5 million from the surplus of \$504.4 million for the corresponding period of 1951, the Minister of Finance, Mr. Douglas Abbott, announced on November 22.

Budgetary revenues in October amounted to \$364.6 million, an increase of \$10 million over those in October 1951. Individual income tax collections for the month were up by \$17.3 million over October 1951, corporation income tax receipts by \$2.2 million and customs import duties by \$9.2 million. Excise duties, however, were down by \$7 million and excise tax collections by \$11.6 million as compared with October 1951.

OLD AGE SECURITY FUND

This decrease in excise tax receipts is accounted for by the fact that while last year all collections from the 10 per cent sales tax were credited to budgetary revenues, in 1952 only 8 of the 10 per cent was so credited, the other 2 per cent going into the Old Age Security Fund. When the amount credited to the fund is added to the total excise tax receipts, there is a net increase of \$0.3 million in collections for the month.

For the first seven months of the fiscal year revenues amounted to \$2,364.7 million. This is approximately 55 per cent of the total forecast for the year as a whole and \$204.8 million more than the total of \$2,159.9 million collected during the corresponding period of 1951.

Budgetary expenditures for October amounted to \$367.6 million and were \$84.1 million more than the total of \$283.5 million for October 1951. This was due mainly to increases of \$58.8 million in subsidy and tax rental pay-

ments to provinces, \$44 million in defence expenditures - that is, in the expenditures of the Departments of National Defence and Defence Production - and \$2.6 million in those of the Department of Veterans Affairs (principally for disability pensions and veterans' allowances), offset in part by a decrease of \$25.1 million in old age assistance and blind persons' allowances (excluding old age security payments to persons 70 years of age and over which are now being paid out of the Old Age Security Fund).

For the first seven months of the fiscal year expenditures amounted to \$2,076.8 million which is slightly less than 49 per cent of the total \$4,270 million forecast in the budget for the fiscal year as a whole. At this date last year \$1,655.5 million or approximately 44 per cent of the total expenditures for the year had been made.

DEFENCE EXPENDITURES

Defence expenditures amounted to \$151.3 million in October bringing the average for the past three months to \$147.9 million which is still considerably below the average monthly expenditure of \$177.1 million for which Parliament has made provision.

The substantial increase in subsidies and tax rental payments to provinces is due to the payment during October to Ontario of the two quarterly instalments due under the recently signed tax rental agreement with that Province.

Pension payments out of the Old Age Security Fund to persons seventy years of age and over amounted to \$27.1 million during October. As tax receipts amounting to \$19.3 million were credited to the Fund, payments exceeded receipts by \$7.9 million again reflecting the lag in the collection of personal and corporation income taxes levied for the purposes of the old age security programme. Deficiencies in the Fund are financed temporarily by advances by the Minister of Finance.

* * *

"CRUSADER" IN ACTION: On Board HMCS Crusader, November 21: A Canadian and an Australian destroyer teamed in knocking out a communist shore battery on the west coast of Korea, on November 16.

The crusader was carrying out a routine patrol when a radio message was received from the Australian destroyer Anzac reporting she was being fired on by enemy shore batteries consisting of four large guns. The Crusader immediately increased to full speed and sighted the Anzac being heavily engaged, with some enemy shells splashing too close for comfort.

The Crusader opened fire at once with all her 4.5-inch guns, at a range of 18,000 yards, and the target was hit with the third salvo. The battery, caught by surprise by this partial flanking attack, ceased firing, while the Crusader, closing the range as rapidly as possible, continued to shower shells on the area.

The range was reduced to 12,000 yards, when it was not possible to get closer due to the depth of water. By this time the target area, pounded by shells from the two destroyers, was completely enveloped in dust, mud and debris.

CARE OF THE ESKIMOS: The Minister of Resources and Development, Mr. Robert Winters, has announced that an Eskimo Research Unit to study means of improving the Eskimo economy has been created in the Northern Administration and Lands Branch of the Department of Resources and Development and that Mr. J.C. Wright, former Chief of the Northern Administration Division, will become Chief of the new unit.

The Minister said that there has been an increasing awareness of the needs of Canada's Eskimo population and that in May of this year Government departments and agencies interested in the Eskimo, as well as the Hudson's Bay Company and the Roman Catholic and Anglican missions, had accepted an invitation to send representatives to Ottawa to confer with Resources Deputy Minister General H.A. Young and other departmental experts on northern affairs with a view to developing more effective means to deal with the problems created by the rapid development of Canada's Arctic regions.

The continuing committee under the Chairmanship of General Young which emerged from this conference met in October and presented recommendations for extending education facilities in the North, for rehabilitating convalescent Eskimo, and for dealing with other Eskimo problems.

* * * *

RAIL REVENUES, COSTS: Operating revenues and expenses of Canadian railways reached new record levels for August and the first eight months of this year, according to figures released by the Dominion Bureau of Statistics.

Earnings in the month rose five per cent to \$98,300,171 from \$93,816,971 in August last year, and expenses were slightly higher at \$86,324,076 as against \$86,105,922. For the eight months ended August, revenues and expenses each climbed nine per cent over a year earlier, the former advancing to \$764,074,429 from \$703,928,400, and the latter to \$694,409,256 from \$638,138,018.

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NAVAL CHIEF VISITS U.S.: Vice-Admiral E. R. Mainguy, Canada's Chief of the Naval Staff, this week is visiting Admiral W.M. Fechteler, Chief of Naval Operations of the United States Navy, in Washington and Admiral Lynde D. McCormick, Supreme Allied Commander Atlantic, at Norfolk, Virginia.

Admiral Mainguy last January carried out his first official visit to Washington as CNS. Later in June Admiral McCormick called on Admiral Mainguy at Naval Headquarters in Ottawa just prior to the opening of the headquarters of the Supreme Allied Commander Atlantic at Norfolk. Admiral Mainguy is now returning this visit.

AMBASSADOR TO VENEZUELA: In recognition of the growing importance of their commercial relations and of the desirability of establishing direct diplomatic relations between them, the Governments of Canada and Venezuela have agreed to exchange missions of embassy rank. Mr. Henry G. Norman, C.M.G., 62, of Montreal, has been appointed Canadian Ambassador to Venezuela.

Mr. Norman, who recently retired from Price, Waterhouse & Company, received his education at the University of Alberta where he graduated as a Chartered Accountant in 1914. During the First World War he served as an officer in the Canadian Machine Gun Corps with the 51st Overseas Battalion. During the Second World War, Mr. Norman, was adviser to the British Commonwealth Air Training Plan. He was also instrumental in creating the RCAF Benevolent Fund in 1943 and has acted as the Honorary Treasurer of that organization since then. In addition, Mr. Norman collaborated with the founders of the Air Cadet League in integrating it with the RCAF and in initiating the programme of interchange of cadets between the United Kingdom and Canada.

For his services during the War, Mr. Norman was made a Companion of the Order of St. Michael and St. George in 1944, and also received the Haakon 7th Freedom Medal from the King of Norway in 1948.

* * * *

EMPLOYMENT AND PAYROLLS INDEXES: Employment, payrolls, and average weekly wages and salaries in Canada's principal industries rose to new high levels at the beginning of September, according to the Bureau's monthly report. The employment index climbed to 190.1 from 188.8 a month earlier, and 185.4 a year ago, while the payrolls index advanced to 441.4 from 433.3 at the beginning of August and 400.2 at the same time a year ago. Weekly wages and salaries increased to \$54.52 from \$53.89 at August 1, and \$50.66 at September 1, 1951.

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CEMENT PRODUCTION: Production of cement in 1951 continued to lag behind consumption and to meet the deficiency 2,327,429 barrels were imported, almost half from United States and the greater part of the remainder from United Kingdom. Nevertheless, cement production passed that of the previous peak year, 1950, by 256,000 barrels, amounting to 17,007,812 barrels valued at \$40,446,288.

* * * *

Feldspar production rose 3 per cent in volume over 1950 to 36,623 short tons. Quebec and Ontario are the only producers with Quebec providing most of the output. The peak year was 1948 when 54,851 tons were produced. Exports, mainly to United States, increased 28 per cent.

(Continued from P.1)

OPENING OF PARLIAMENT

"Our defence effort has also included our defence production; and altogether for the last two years the appropriations made by this Parliament for the defence effort have been practically one-tenth of the gross national product of the whole Canadian people, that is to say one-tenth of the volume in dollar value of all the goods and services produced in Canada by the whole Canadian people..."

After dealing at length with domestic affairs, Mr. St. Laurent concluded with a reference to trade matters and the Prime Minister's Conference in London, saying, in part:

LONDON CONFERENCE

"The Minister of Finance and I are going to London with the hope that some progress can be made in the direction of widening opportunities for trade both within the Commonwealth and between Commonwealth countries and other nations. But I think it would be wrong to give the impression that a conference of Commonwealth representatives, however valuable it may be as a preliminary--and it will be valuable--can by itself solve the problem of making sterling convertible or, as the Leader of the Opposition (Mr. Drew) has put it, of removing the roadblocks in the way of trade..."

Mr. M.J. Coldwell, Leader of the C.C.F. Party, urged a national health programme and made that subject the basis of his non-confidence amendment, which, seconded by Mr. Angus MacInnis (C.C.F. Vancouver East) read as follows:

"We regret further that Your Excellency's advisers have failed:

(a) To recommend legislation establishing a nation-wide health insurance programme, with provision for provincial administration;

(b) To implement their proposals to the dominion-provincial conference of 1945."

Mr. Solon E. Low, Social Credit Leader, was the last Leader to speak, urging a strengthening of Commonwealth trade. It was true, he said, that during the war the pattern of trade had to change to some degree because at that time Britain could not supply Canada's needs, in the traditional manner, of the things we had to import.

"However," he said, "that is no excuse for letting the pattern continue as it has during the seven years since the war ended in 1945. I think that the Liberals are just now beginning to wake up to the fact that they have hitched themselves to the most uncertain market in the world, the most uncertain market for Canada - that is the market in the United States...."

The Speech from the Throne touched on the international situation as follows:

"You resume your labours on behalf of the Canadian people at a time of continuing international tension. Nevertheless, because of

the steadfast resistance of our Canadian forces and their comrades in arms to aggression in Korea and because of the increasing strength of the forces of freedom in Europe, there are signs of a lessening of the danger of an outbreak of war on a global scale.

"My Ministers are convinced that a lasting peace can be assured only so long as the combined strength of the free world continues to be built up and maintained.

"The sacrifices of those directly involved in the United Nations police action in Korea and the anxieties of their families are an inevitable and most regrettable part of the price we are paying to prevent another world war.

LEGISLATIVE PROGRAMME

"To meet our nation's international responsibilities certain of my Ministers are attending the Seventh Session of the General Assembly of the United Nations.

"Because of the continued international tension you will be asked to approve legislation providing for the continuation of the Emergency Powers Act and you will also be asked to provide for the appointment of an Associate Minister of National Defence.

A portion of the Speech dealing with impending legislation read:

"You will be asked to make financial provision for certain improvements to Vancouver Harbour and for engineering studies of that Harbour and of other possible improvements to navigation on the Pacific Coast. You will also be asked to make further provision for the Canso Causeway, the ferry service from North Sydney to Port aux Basques and the terminal facilities at Port aux Basques, and the new ferry service between Yarmouth, Nova Scotia, and Bar Harbour, Maine.

"You will be invited to consider a measure to provide for federal co-operation with the Provincial Governments in the conservation of the water resources of Canada.

"To give effect to recommendations made by the Standing Committee on Banking and Commerce at the last session of Parliament and to extend its scope your approval will be sought for an amendment to the National Housing Act.

"Provision has been made for the insertion in all federal Government contracts of clauses prohibiting discrimination on the part of the contractor against any person in regard to employment because of that person's race, national origin, colour or religion.

"You will be asked to consider a bill to make similar provisions in respect of employment upon or in connection with any work, undertaking or business that is within the legislative authority of the Parliament of Canada.

"A bill designed to provide greater educational opportunities for children whose fathers died as a result of war service will be placed before you...."

NINE MONTHS' EXPORT SURPLUS \$235,100,000

SEPTEMBER IMPORT BALANCE: Canada's foreign trade produced an export surplus of \$235,100,000 in the first nine months of 1952, as opposed to an import surplus of \$323,800,000 in the corresponding 1951 period. But in contrast with most earlier months September's foreign trade resulted in an import balance of \$8,800,000 as compared with an export balance of \$12,000,000 a year ago.

Export prices in September averaged five per cent below their level a year ago, but this decrease was more than outweighed by a 10 per cent increase in export volume. The value of domestic exports to all countries climbed to \$335,900,000 in the month, five per cent above their level a year ago. Import prices in September averaged more than 15 per cent below those of a year earlier, but for the first time this year were not below those of the preceding month. The volume of imports was almost 32 per cent above that of September, 1951, greater than in any post-war month except many of this year, and their total value increased 12 per cent to \$349,100,000 from \$311,500,000 a year earlier.

SEASONAL INFLUENCES

Both exports and imports were lower in value in the third quarter than in the second quarter of this year. Exports to Europe and some Asian countries increased, but sales to the United States, the United Kingdom, the Commonwealth and Latin America were lower. In part this decline was due to seasonal influences, in part to the softening of exports markets for some goods. Imports from the United States were lower than in the second quarter, while those from the United Kingdom and Latin America rose slightly and those from most other countries were stable. Seasonal influences and labour disturbances in that country contributed to the reduction in imports from the United States.

In the first nine months of the year, the value of domestic exports reached \$3,140,300,000, 13 per cent above the 1951 value of \$2,848,600,000.

784,600,000. This gain was due almost entirely to a greater volume of exports. Imports at \$2,945,500,000, were six per cent below the 1951 nine months' value of \$3,142,000,000, but their volume was six per cent above that of the 1951 period. The value decline was due to prices averaging 11 per cent below those of January-September 1951.

Trade with the United States produced a larger surplus of imports of \$59,400,000 in September as compared with \$22,100,000 in the corresponding month last year, bringing the cumulative total for the nine months to \$472,000,000 as compared with \$429,800,000 a year earlier.

Domestic exports to the United States were slightly higher in value in September at \$192,700,000 as compared with \$186,700,000 in the corresponding month last year, but declined in the nine months to \$1,669,600,000 from \$1,691,300,000. Imports were up sharply in September to \$255,100,000 from \$211,600,000, and were moderately higher in the nine months at \$2,172,300,000 as against \$2,146,900,000.

SURPLUS WITH U.K.

The foreign trade surplus with the United Kingdom in September was \$11,500,000 -- smallest since the early months of 1951 -- as compared with \$39,200,000 in August and \$24,200,000 a year earlier. In the nine-month period the export surplus was \$320,700,000, steeply above last year's \$112,200,000 for the January-September period.

Domestic exports to the United Kingdom declined in value in September to \$42,200,000 from \$52,500,000 in September, 1951, but with gains in all but one of the eight previous months the cumulative total for the nine months ending September jumped to \$576,300,000 from \$446,400,000. Reversing the trend of the past year, imports from the United Kingdom rose in value in September to \$31,500,000 from \$28,600,000 a year earlier, but the nine-month value dropped to \$259,400,000 from \$355,500,000.

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OPENING OF PARLIAMENT (Continued from P.5)

"You will...be asked to make provision to enable the Canadian Broadcasting Corporation to establish television stations in the Halifax, Winnipeg and Vancouver areas. My Ministers have indicated to the Canadian Broadcasting Corporation that they are now prepared to consider applications for licences for private television broadcasting stations which may be recommended by the Canadian Broadcasting Corporation to serve areas which could not be served at this time by public stations, with the objective of making television as widely available throughout the

country as may be feasible through appropriate co-operation between the Corporation and private agencies...."

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TRADE STATISTICS CORRECTION: The October 24 issue of the Canadian Weekly Bulletin carried under the heading, "August Export Surplus of \$47,500,000," a D.B.S. analysis of August trade in which the last two figures in paragraph four were erroneous. The last sentence of this paragraph commencing, "Trade with the United States," should read, "Imports were down in August to \$212,800,000 from \$229,500,000, and in the eight months to \$1,917,200,000 from \$1,935,300,000."



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WEEK'S EVENTS IN REVIEW

CANADA TRADES WITH THE FREE WORLD "I am here today to express a Canadian point of view on some current problems of world trade," said Mr. C.D. Howe, Minister of Trade and Commerce, on November 17 to the Thirty-Ninth National Foreign Trade Convention in New York City:

"...Canadians and Americans do not always see eye to eye on matters of trade. But the differences which sometimes arise between us should not be permitted to obscure the fact that the area of agreement on fundamentals is greater than at any time in the past. This is true of our mutual trade relations and it is true of our respective trade relations with the rest of the world.

"...It is sometimes said that the great post-war effort to reconstruct world trade has produced little result, since trade is today more beset with restrictions than ever before. It is unfortunately only too true that trade barriers around some countries have multiplied at an alarming rate. This fact, however, by no means justifies the view that the efforts to reconstruct trade were wrongly conceived, or that they have failed.

"On the contrary, had it not been for the series of tariff reductions undertaken since the end of the war, and the acceptance, in principle by many countries, and in fact by

some, of non-discriminatory trading practices, there would today, I have no doubt, be even more barriers to trade and less trade. We have not failed; we may, however, have underestimated the magnitude and, in some ways, misjudged the nature of the problem.

"At the end of the war there was a deeply-seated fear of depression, a fear that nations would, in their anxiety to prevent unemployment at home, attempt to export unemployment abroad by restricting imports, as they had done in pre-war years. This was the kind of situation the world most feared and made preparations to avoid. As things turned out, the problem throughout most of the post-war period has been excessive demand, not deficient demand. Most countries have found themselves grappling with inflation and shortages and not with unemployment. What we have witnessed, therefore, is a multiplication of trade restrictions, not for the purpose primarily of protecting domestic producers against foreign competition, but rather for the purpose of protecting national reserves of foreign exchange, particularly dollars.

"True enough, this is a regrettable development. Trade restrictions, whatever their origin, and however temporary they are intended to be, have a tendency to become imbedded in the structure of a nation's economic

NEW COMMISSION FOR FAMED DESTROYER: Following an extensive refit and weapon conversion, HMCS Huron (Tribal-class destroyer) will begin a new commission November 17 at Halifax, Naval Headquarters announced on November 12.

Commanding Officer of the Huron will be Commander Richard C. Chenoweth, 39, of Westmount, P.Q.

The Huron is a veteran of Second World War service and, in addition, has a tour of operations in the Korean theatre to her credit. Originally commissioned in July, 1943, she escorted convoys to North Russia and took part in sweeps along the Norwegian coast until being transferred to Plymouth early in 1944.

From then until well after D-Day the Huron was engaged in offensive operations in the English Channel and Bay of Biscay as part of the famous Tenth Destroyer Flotilla. In this period she engaged in a number of successful actions with the enemy.

Placed in reserve following the war, the Huron remained inactive until February, 1950, when she was re-commissioned at Halifax. In the fall of 1950 the Huron formed, with HMC Ships Magnificent and Micmac, the Canadian Special Service Squadron which visited eight European countries in the course of a training and good will cruise.

In January, 1951, the ship sailed for the Far East and five months of duty in the Korean theatre. Her operations included carrier screening and patrols and bombardments on both sides of the peninsula.

Shortly after her return to Halifax in September, 1951, the Huron was paid off into reserve and taken in hand for the refit and modernization programme now completing.

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REGIONAL COST-OF-LIVING INDEXES Cost-of-living indexes for each of the nine regional cities moved down between September 2 and October 1. Substantial decreases in the food and clothing groups were mainly responsible. Sharp drops in beef and fresh vegetables prices were noted in all centres. Decreases for lamb and veal and increases for oranges were also general. Lower clothing indexes in the nine cities mainly reflected decreases in the prices of men's wool underwear, women's winter coats and nylon hosiery.

The homefurnishings and services and the miscellaneous items recorded small mixed changes except in Montreal where an increase in tramway fares contributed to a significant rise in the miscellaneous items index. Fuel and light indexes were unchanged in seven cities while in Toronto and Montreal firmer coal prices were reflected in higher indexes. Rents were not surveyed in October and the indexes remained unchanged.

WHEAT EXPORTS HIGHER Exports of Canadian wheat in September amounted to 24,500,000 bushels, up 28 per cent over last year's corresponding total of 19,100,000 bushels. The equivalent of an additional 5,000,000 bushels of wheat was exported in the form of wheat flour during the month as compared with 3,200,000 in September last year.

This year's August-September exports of wheat as grain, at 53,200,000 bushels, increased about 39 per cent over the 38,300,000 bushels exported during the first two months of 1951-52. Preliminary data indicate that exports of wheat flour in terms of wheat for the two months totalled 8,300,000 bushels, an increase of 45.6 per cent over last year's August-September exports of 5,700,000 bushels.

Some 10,800,000 bushels of wheat, or about 20 per cent of this year's August-September total, went to the United Kingdom. Germany took 9,800,000 bushels; the United States, 5,900,000 (of which 1,300,000 was for milling in bond); Belgium, 5,400,000; Yugoslavia, 3,300,000; India, 2,800,000; the Netherlands, 2,100,000; and Italy, 2,000,000.

Wheat flour exports to the United Kingdom in the two-month period totalled 2,900,000 bushels of wheat equivalent; Philippine Islands, 974,000; Egypt, 834,000; Venezuela, 582,000; Ceylon, 485,000; Trinidad and Tobago, 341,000; Hong Kong, 302,000; British Guiana, 205,000; Leeward and Windward Islands, 175,000; and Costa Rica, 172,000 bushels.

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FAMILIES INCREASE 1941-1951 While the population of Canada's nine older provinces increased by 18.6 per cent in the 1941-1951 decade the number of families rose by 27 per cent to 3,207,587, according to final results of the Ninth Decennial Census published today by the Bureau of Statistics. Including Newfoundland and the Territories, there were 3,287,384 families in Canada in 1951, or 30.2 per cent more than in 1941.

The nine-province gain compares with an increase of 17.5 per cent in the number of Canadian families during the 1931-1941 decade. In 1951, 11,868,276 persons or 87.1 per cent of the population of these provinces were members of families as compared with 9,937,986 persons or 86.5 per cent of their 1941 population.

In the ten-year period there were increases in the number of families in all provinces, the largest percentage gain occurring in British Columbia, where the number of families rose 50.4 per cent from 199,383 in 1941 to 299,845 in 1951. Quebec recorded the second-highest percentage gain with the number of families increasing 32.1 per cent from 647,946 to 856,041. Ontario followed with an increase of 27.9 per cent from 909,210 to 1,162,772. The number of Alberta families rose from 175,744 to 223,326, the 27.1 per cent increase equalling the national average.

INFANTRY CONFERENCE ENDS On November 10, Senior Officers from the United States, United Kingdom, and Canada successfully concluded four days of discussion on infantry matters.

The conference was held at the Citadel in Quebec. The ancient city, the home of the Royal 22nd Regiment, was the site of the important conference held in August, 1943, and now known as "Quadrant."

Lt.-Gen. G.G. Simonds, Chief of the General Staff of the Canadian Army, who welcomed the delegates, emphasized the need to ensure that due weight is given to the advice of the combat man in determining the requirements of the infantry soldier, the man who, in the end, has to use the weapons designed for him. He said that it must be the aim of all delegates to work toward giving the infantry soldier the best advantage on the field of battle.

The Vice Chief of the General Staff, Maj.-Gen. H.A. Sparling, was the chairman of the conference. The U.S. delegation was headed by Maj.-Gen. R.N. Young, lately returned from commanding the United States 2nd Division in Korea. Maj.-Gen. F.R.G. Matthews, lately General Officer Commanding 1st British Infantry Division in the Middle East, led the United Kingdom delegation. The Canadian delegation was led by Brig. J.M. Rockingham, the former commander of 25th Canadian Infantry Brigade in Korea.

Special consideration was given to the weight of arms and equipment carried by the infantryman into battle. Progress was made in deciding on the lines that future development should follow and which country should be responsible primarily for developing each of the items under discussion. Since the study of the rifle and its ammunition is progressing under the guidance of another committee, it was not an item on the agenda of this conference.

The conference ended with agreement that further meetings should be held to review periodically progress in infantry weapons and techniques.

* * * *

CARLOADINGS ON CANADIAN RAILWAYS Cars of revenue freight loaded by Canadian railways during the first seven days of November totalled 83,469 for a daily average of 11,924 cars, seasonally below the average of 13,942 cars in the closing period of October. Loadings in the western region amounted to 33,013 cars or 4,716 per day as against 5,161, while eastern volume, at 50,456 cars or 7,208 per day, compares with 8,781 in the preceding period. Receipts from foreign connections average somewhat lower daily for a total of 33,240 cars loaded in the first week of November.

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Over \$11,000,000 worth of musical instruments is made in Canada annually.

JOINT HOUSING PROJECT ANNOUNCED Construction of 100 rental housing units is to be undertaken shortly at Sault Ste. Marie as a result of an agreement signed between the Federal Government and the Province of Ontario, it was announced on November 14 by Resources Minister Winters and Ontario Planning and Development Minister William Griesinger.

The agreement, which has been arranged under the terms of Section 35 of the National Housing Act, provides for the construction of 80 three-bedroom houses and 20 two-bedroom units. The total cost of the project is estimated at \$1,000,000 and the average rent for the units will be about \$67.00 monthly.

Agreements have been signed between the Federal and Provincial Governments, the Federal-Provincial partnership and Central Mortgage and Housing Corporation, and also between the Province and the municipality. Servicing of the land is being carried out by the municipality on behalf of the partnership.

Seventy-five per cent of the total cost of the project will be financed by the Federal Government and the remaining 25 per cent by the Province.

Construction of the units will be undertaken by Central Mortgage and Housing Corporation and the completed houses will be administered by a local housing authority.

* * * *

CANADIAN BOXERS IN EUROPE Two top Canadian boxers of the 27th Canadian Infantry Brigade, Hanover, Germany, will travel to Iserlohn and Berlin next month to square off against British talent.

They are L/Cpl. J.C. Gray, DFC, of Viking, Alta. and Pte. T.F. Paddock of Edmonton, both members of "D" Company of the Loyal Edmonton Regiment, 1st Canadian Infantry Battalion. They were selected from 18 entrants from the Canadian Brigade for the British Army of the Rhine team and will compete against a British Army team from England.

L/Cpl. Gray, a middleweight contender, was a Warrant Officer in the RCAF during the Second World War. Pte. Paddock, a heavyweight, is a former Grenadier Guardsman who emigrated to Canada after the war and joined the 27th Brigade upon its formation.

The British Army of the Rhine team will stage two fight exhibitions against the British home team next month.

* * * *

In terms of gross value of products in 1950, the leading industry of Newfoundland, New Brunswick and Quebec was pulp and paper; of Prince Edward Island, butter and cheese; of Nova Scotia, fish processing; of Ontario motor vehicles; of Manitoba and Alberta, slaughtering and meat packing; of Saskatchewan, petroleum products; and of British Columbia, sawmills.

NEW MILITARY COLLEGE OPENED Concern for the physical welfare of the troops cannot alone produce an efficient armed force, declared the Governor-General, Mr. Vincent Massey, on November 13, speaking in French at the opening of the new military college at St. Jean, Quebec. Good food, comfortable quarters, adequate medical care, without high morale, are nothing in themselves. One of the principal aims of the new school, Mr. Massey continued, is to prepare officer-candidates for the noble but by no means simple task of developing and fostering such a necessary spirit in the forces.

The speaker paid tribute to "the proud military traditions of New France", carried on today by units such as the Royal 22nd Regiment, a battalion of which has already seen action on the Korean front. The esprit de corps of the "Vingt Deuxième", he said, is a continuation of the spirit of the great military colonizers of the past.

Mr. Massey next spoke briefly in English, as follows:

"I must also remind you of one more matter doubtless familiar to most of you. You all no doubt admire the historic buildings of the College, placed as they are in this beautiful site on one of the great rivers of Canada. The site of this college is doubly appropriate. St. Jean gained its significance as an outpost of Montreal, which itself was once an outpost of Canada. Montreal, we are told, was founded by the gallant soldier, Maisonneuve, not as a result of calculated military strategy but in obedience to the visions of those who saw it as a defence of Christian civilization in a wild and pagan country. Maisonneuve's first responsibility was to defend the hospitals and schools of a Christian civilization. This noble tradition was never quite effaced by the crowding commercial interests of later years.

"St. Jean itself comes into the picture a century later as a fur trading post not as a fort. It achieved particular prominence on the occasion of another great crisis in the history of our country. Destroyed at the close of the Seven Years' War (by order of Vaudreuil), it was rebuilt during the American Revolutionary War when Carleton erected 'two redoubts a hundred feet square and two hundred yards apart connected by a strong pali- sade'. This was the time when the Quebec Act had clearly expressed that the British colonial policy, far from being narrowly English, was broad enough to find room for the culture and for the religion of 'that sweet enemy France'. It was then that Canadians, French in speech and in tradition as they were, decided that the British Empire could offer them the kind of freedom which they sought. It was through St. Jean that American invaders made their entry into the country in the critical year of 1775. They crossed the scarcely defended frontier but found little welcome from the inhabitants. It was by way

of St. Jean that many of them retreated during the following year, leaving behind them a territory and a people content to remain British because they were free not to be English.

"And now today in this historic area, on this ancient site, men of our three services and of our cultures come together for a common task. For this task you receive here not just training, but education. This education is intended to fit you once more to defend our western Christian civilization whose roots, French and English, go far deeper than the bitter but passing struggles of the seventeenth and eighteenth centuries. They go back to the time when Western Europe was building up its common life on the foundation of liberty and of law. It is the quality of that life which requires that you come here for education as much as for training. The defence of our way of life is more than a technique. It is a calling. One cannot defend unfamiliar ground. You come here to know what you have to defend as well as how to defend it. Undoubtedly you learn here military science along with the new techniques, the new methods and devices that scientific advances have made possible, but you are also directed to the understanding of values which are permanent. They are not old because they are always renewing themselves. And in learning how to understand and to defend these values you receive here certain virtues which may be somewhat neglected elsewhere; the classic virtues of duty, discipline, and of good manners.

"May I say one thing more. I have to offer you a very special and personal piece of advice. You are here together - French and English-speaking Canadians, with every obligation and every opportunity to learn to know and understand each other's language, culture and character. Do not neglect this precious opportunity, which comes to you just at the age when you are in a position to profit from it to the full. Your minds are open and your judgment is generous. Learn to speak and think and feel together. Do not forget what is your own, but develop the understanding and sympathy that come from speaking another's language, not only with the tongue, but with the mind and with the heart.

"You have a great and noble tradition behind you and a great and worthy task before you. May you be inspired by both to go forward to your work with energy and enthusiasm. Remember always that you are to defend not only the soil of your country but the life of your civilization, and remember that your civilization has this great quality; it can be defended only by those who understand it with their minds and who adorn it by their conduct."

Mr. Brooke Claxton, Minister of National Defence, also addressed the inaugural gathering in the following words:

"...It was only last June that I announced the intention to establish this college to

supplement the other arrangements for training officers for the armed forces of Canada.

"The need for this is shown by some very significant figures.

"At the time of Korea, the number of officers in the active forces of Canada was just over 7,300. Since then, there has been qualified and appointed a total of 9,752, bringing the officer strength to the figure 14,744, or double what it was two and one-half years ago. That has meant, and means, additional demands and additional career opportunities for young Canadians. To help in meeting this and also to have more officers who can speak both languages, it was decided to inaugurate this college. That it met a need was evidenced by the response. There are here at the college today, 125 young men from most of the provinces of Canada. About 80 per cent have French as their mother tongue....

"It was easy for us at Ottawa to pass an order but that order had to be translated into reality and in the short space of three months the college was created here, a college which, we hope and believe, will match the traditions of R.M.C., Kingston, and Royal Roads, and with and like them, serve the needs of the Canadian people.

"To bring this about, has meant a great effort by the armed forces. To lead the college we brought back from Germany an officer who had distinguished himself in war and in peace, your Commandant, Colonel Lahaie.

"He found when he started his work a wealth of goodwill and help....

"There is no need today to dwell on our requirement for having men of the highest quality to lead the men of our armed forces or to take their part in the nation's life.

"While primarily designed to produce officers for the active forces of Canada, men dedicated to the full-time service of their country, the college will fail in its function if it does not produce young men who are good citizens.

"There is only one thing more expensive than education and that is ignorance.

"The formation of this college marks another step forward in the work of the armed forces for our national defence, in training for leadership, in the recognition of the essential unity of our country.

"This is the first step. The future accomplishment of the college here will depend on the armed services and the staffs, the students and their parents (because parents have a place in this too); it will also depend on the support and understanding that they get from people across Canada....

"We chose St. Jean as the site of this college because of its historic associations which have been indicated to you in the programme for today.

"With this beginning we may be confident that here we are planting the seed from which will take root another great Canadian institution of learning and of service...."

(Continued From P. 1)

CANADA TRADES WITH THE FREE WORLD

life. Quantitative restrictions, introduced for balance of payments reasons, do afford particularly effective protection against foreign competition, and the longer they are continued the more difficult they are to abandon.

"We know something about this problem. Just five years ago today Canada was forced to impose quantitative restrictions in order to conserve U.S. dollars. There was strong pressure to continue those restrictions when the need for them disappeared. But the Government, from the outset, made it quite clear that they would be removed when they were no longer needed, and within a comparatively short period they were completely swept away. We followed the same policy with respect to foreign exchange controls. That is one of the reasons why Canada today is in a strong competitive position on world markets.

"But, when we are inclined to look on the dark side of post-war trade developments, let us not overlook one highly significant fact. That is that international trade, as a whole, both in volume and value, is greater than ever before. Surely this does not indicate a collapsing system of international trade, nor does it indicate that we have been on the wrong track.

PROBLEM OF TRADE RESTRICTION PERSISTS

"...All of the free nations, that have worked so closely and so energetically together, can claim some credit for the fact that international trade is now moving at an all-time high level. That fact, however -- extremely important in itself -- is only part of the story. We have succeeded in reaching a unique position -- one which, I believe, is without precedent. We have a high level of trade, coupled with a high level of trade restrictions. That is not what we have been aiming at: What we really want is to have the former without the latter -- the high trade without the high restrictions.

"As matters stand now, we have gained one material part of our post-war commercial objective. The other part, almost equally important, we have still to win. The target that was set several years ago --- and set very largely in terms that were written or inspired by the United States -- is that of a commercial world characterized not only by expanding trade, but also by the greatest measure of freedom from restrictions. The part of this objective that has already been realized has not been easily gained. It has called for unselfish, co-operative work on an enormous scale. The part that still remains to be accomplished may prove to be even more difficult to attain. It will certainly not be accomplished if there is any let down, either in the co-operative nature of the attack upon the problem or in the readiness of each of the

free nations to make the kind of contribution that will best serve to promote the common purpose.

"Our two main objectives from this time forward are: first, to bring about a further expansion of trade; and second, to get rid of the restrictions that prevent the free world from making the most effective use of the resources available to it.

"...Part of the expansive power of the 19th century, but not all of it, has carried over into the present century. Looking at North America alone, we can, no doubt, claim that the momentum has been well maintained -- and even increased. The same might be said of other regions; but it is very questionable whether it can be said of the world at large. It is not merely that we have suffered the disastrous setbacks of two world wars, or that there has been an inevitable shrinkage in the areas of virgin territory that are now available to new enterprise. A third factor, and a very formidable one, must also be taken into account. The opening up of new frontiers to international trade is now being offset -- perhaps more than offset -- by the closing off of huge areas and populations from what we look upon as normal commercial intercourse.

COMMUNISM OBSTACLE TO COMMERCIAL INTERCOURSE

"About one-quarter of the world's land area, and something more than a quarter of the world's population, is now fenced in by Communist control. The area involved is almost equal to that of North and South America combined, and its population is twice as great as that of North and South America. Those facts convey a rough idea of the extent of the human and material resources which, for the time being, are cut off from the field of development in which the free nations can actively pursue their objective of expanding international trade.

"Were it not for the spread of Communism, Russian and Chinese development would certainly be counted upon as being among the very greatest potential factors contributing to the growth of world commerce in the immediate future -- and, in so doing, contributing in the most effective way to the advancement of their own standards of living. Under present circumstances, and so long as they continue, the expansion of international trade can count upon very little in the way of impetus from the under-developed resources that are locked up in Communist hands. Our task will have to be achieved in the reduced area that is still open to trade in the normal way..... The main commercial effect of our territorial losses to Communism is that they do compel us to make the very best use of the resources of our free, but smaller, world.

"This brings me back to the question of trade restrictions. For it must never be forgotten that the real purpose behind the efforts to free trade from hampering restrictions is to make the best use of available resources. Unless producers have a reasonable chance to sell where the best prices can be obtained, and unless consumers have a reasonable chance to buy where the lowest prices are offered, resources are not likely to be used to the best advantage. I know only too well that it is a counsel of perfection to suggest that national foreign trade policies should be based on recognition of this principle, and on nothing else. Nevertheless, I do not think that the peoples of the free world can afford to do anything else except work towards freer trade amongst themselves.

"If this is so, why is there any hesitation in beginning at once to clear away the tangle of restrictions that have grown up in recent years? The answer to this question may help to indicate the lines along which progress can be made.

STERLING AREA PROBLEM

"Take the sterling area, for example. This is a very large group of countries and an extremely important group commercially. As a group, and with few exceptions individually as well, they are very hard up for dollars. Why is that so? It may be said that the explanation is obvious -- that they are short of dollars solely because they are not earning enough dollars, either by their sales here in North America, or by their sales in other markets. They must produce more, and they must make their export industries more competitive. Otherwise, they will continue to be short of dollars and, moreover, they will be open to the suspicion of sheltering a lot of uncompetitive industries behind their present import restrictions.

"We in Canada are hopeful that the time is now ripe for a fresh attack on the problem of trade restrictions. As you may know, the Governments of the Commonwealth are meeting in London later this month, and the question of trade is high in the agenda. Canada, of course, is not a member of the sterling area, but we have been invited to participate and we shall take a constructive part in the discussions.

"What Canada wants to see emerge from these Commonwealth talks is not a sterling-area plan or a Commonwealth plan but something very much bigger, in which North America and the free world generally can play a full part to the advantage of all concerned. This kind of an approach, we firmly believe, has the best chance of success. And that is what I hope will emerge."



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WEEK'S EVENTS IN REVIEW

REMEMBRANCE DAY ADDRESS Following are excerpts from an address by Mr. Brooke Claxton, Minister of National Defence, over the Trans-Canada Network of the CBC on November 11, 1952:

....At eleven o'clock this morning in practically every part of Canada there was a service of remembrance. With the Governor-General, the Prime Minister, the Minister of Veterans Affairs and other members of the government, representatives of foreign countries and of the Canadian Legion, I attended the national service at the National War Memorial here in Ottawa. At eleven o'clock a gun sounded to signal two minutes' silence.

I suppose everyone in that great gathering, as at every other service of remembrance, had some special personal reason for being there. Everyone of us at this time remembers some husband or father, some son or friend who gave his life for us.

They defended our freedom; they won victory for the allies and freedom for us all at the cost of their lives.

As we remember them, we remember too that it is our everlasting obligation to see to it that the freedom they died for is preserved. That is the first point.

Then, secondly, at this time we think also of those others who risked their lives for us, of the veterans of one or other of the two

great wars. Certainly those whom we commemorate today would want us to see to the welfare of their own families and also of their comrades who survive.

In the third place, those we remember would want us to do everything we can to keep this, our country, worthy of their sacrifice....

We Canadians cannot secure our freedom alone....Both within and without the nation we must work with others. In the unity of men and women of goodwill is the key to freedom.

This truth was brought home to us in the Great War of 1914-18 and in the Second World War.

....To win the war, we had to unite together within the nation and with other nations.

Since the end of the Second World War, a good many countries have gone down to the Communists and the freedom of all the nations which are still free has been threatened by the menace of Communist aggression. To meet that threat we Canadians have united with others to build up our strength, not to win a war, but to prevent war.

Our object is peace, peace by collective action. That is why there are ships and men of the Royal Canadian Navy, a Brigade Group of the Canadian Army and heavy transport aircraft of the R.C.A.F. working with some twenty other nations to stop Communist aggression in Korea.

OCCUPATION TRENDS: Total number of persons in the ten provinces of Canada reporting a gainful occupation at the time of the 1951 Census (including the armed forces) was 5,286,153 of whom 4,121,832 or 78 per cent were males and 1,164,321 or 22 per cent were females, according to final figures of the 1951 Census on occupations, by sex, of the labour force, recently released in a Census bulletin by the Bureau of Statistics.

Due to changes in definition, exact comparison of 1951 and 1941 Census data on occupations is not possible. However, excluding Newfoundland (for which 1941 figures are not available) and the armed forces, the 1951 civilian total for the nine provinces, at 5,109,080, was approximately 22 per cent above that of 1941, the number of males gainfully occupied being 18 per cent greater at 3,962,262 and of females about 38 per cent greater at 1,146,818. This total gain was considerably greater proportionately than the rise in total population of the nine provinces, which was about 19 per cent.

LABOUR FORCE

In the 1951 Census the labour force was defined as all persons 14 years of age and over, who, during the week ending June 2, 1951: (a) worked for pay or profit or were employed in a "no pay" capacity in some family business; (b) had jobs but because of sickness, temporary lay-off, holiday or industrial dispute, were not at work during the week; and (c) were without jobs and were actively seeking work during the week. Persons in the labour force during the week were asked to state the occupation followed in that period, and those not working their occupation when last employed. In addition, all were asked to report their usual occupation for the year ending May 31, 1951. Statistics in the bulletin relate to the occupations followed in the week or, in the case of those not working, to the occupations last followed rather than to usual occupations.

MAIN TYPES OF WORK

Occupations classified under manufacturing and mechanical accounted for a larger proportion of the total gainfully-occupied (males and females) in 1951 than any other group, increasing to 17.2 per cent of the total as against 16 per cent in 1941. Agricultural occupations -- first in 1941 -- came second, down to 16 per cent of the total from nearly 26 per cent ten years earlier. Third in size was the clerical group, up from fourth in 1941, representing 11.5 per cent as against eight per cent. Next in order was the service group (third in 1941), followed by the transportation and communication, proprietary and managerial, labourers (other than in agriculture, fishing, logging or mining), professional, commercial, and construction groups. These ten groups together accounted for 94 per cent of the total gainfully-occupied.

PHYSICAL FITNESS SCHOLARSHIPS: Scholarships amounting to \$4,000 for post-graduate study in physical education, recreation and allied fields are to be awarded again this year by the Department of National Health and Welfare, the Minister, Mr. Martin, announced on November 6.

The minimum award will be \$300 and the maximum \$1,200, Mr. Martin stated. The deadline for applications is January 3, 1953.

Since the scholarship plan was organized four years ago to help overcome the scarcity of professional people with advanced training in physical education and recreation, 24 persons have been awarded financial help toward obtaining post-graduate degrees in these specialties. The scholarships are for post-graduate study only and are restricted to Canadians with at least three years' full-time experience in physical education or recreation in Canada, including at least one year's experience since obtaining an undergraduate degree.

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COURSES FOR RESERVE SOLDIERS: The "veterans only" restriction, which formerly applied to Canadian Legion education courses, has now been lifted, Army Headquarters announced on November 6.

The combined effort of the Canadian Legion Educational Services (CLES) and the Department of Veterans Affairs provides a new educational horizon for non-veteran members of the Canadian Army Reserve Force.

Through the medium of CLES correspondence courses, channelled by DVA to the reserve units, any veteran or non-veteran may attain senior matriculation standing. The educational credits gained by the courses are recognized by all Canadian provinces.

* * * *

VISIT BY BRITISH FRIGATE: One of Britain's latest answers to the threat of the modern submarine, the fast frigate, HMS Rocket, will visit Halifax from November 16 to 24, Naval Headquarters announced on November 5.

The Rocket, which has been visiting United States ports, is awaited with particular interest by officers of the Royal Canadian Navy since she incorporates many of the ideas being embodied in the anti-submarine escort vessels now under construction for the RCN in Canadian shipyards.

* * * *

NEW YUKON COMMISSIONER: Mr. R.M. Winters, Minister of Resources and Development, announced on November 7 the appointment of W.G. Brown of Fort Smith as Commissioner of the Yukon Territory....

The Commissioner is the Chief Executive Officer of the Territory and administers the Government under instructions given to him by the Governor in Council or the Minister of Resources and Development.

(Continued from P. 1)

REMEMBRANCE DAY ADDRESS

....At this time of remembrance we should remember them, remember that they are there fighting...for our security, fighting for freedom itself. And on Remembrance Day we should remember especially those who have given their lives in that far-off land.

...We don't like this war in Korea, but, like the United States and Britain and our other partners, we feel that by stopping aggression there we are discouraging aggression everywhere else. This is international action...for peace.

It is more than a year since the aggressor was driven out of South Korea, and ever since the United Nations participating in that police action have been trying to bring it to an honourable conclusion.

That is what our Canadian representatives are doing right now at the General Assembly of the United Nations in New York.

It is because we want peace that Canada is one of the fourteen nations which formed the North Atlantic alliance to bring up the strength of the free nations in Europe. Our forces are in Europe not to fight a war but to help prevent one. We now have in Western Germany, as part of the Integrated Force, the 27th Canadian Infantry Brigade.

CANADA'S NATO CONTRIBUTION

We can all be glad that an observer like Chester Wilmot, author of "The Struggle for Europe", said recently: "The Canadian Brigade Group, though formed only last year, has no superior in the Rhine Army".

We have in England a wing of three squadrons of the R.C.A.F. and in France another wing of three squadrons. Both are equipped with F-86E Sabre jets made in Canada. We expect to be able to have other Canadian squadrons take their place in Europe by the planned dates so as to build up an air division there.

....Everything we send abroad, whether fighting men or military supplies, is, of course, helping to defend Canada. In addition to these outer defences, we are building up our strength here with ships, seaward defences, airborne troops, radar stations, communications, fighters and maritime squadrons....Where before Korea there were 47,000 of them, today there are 100,000 giving their full time to our defence.

We cannot emphasize enough that our defence forces exist to help prevent a world war and that our defence expenditures are premiums for the insurance of peace. They represent pretty close to half the national budget. But we and the other nations with us - the Americans and British and French and the others - have set our hands to this job because we recognize that it is the only thing to do. We work in unity so that we may have security and preserve our freedom.

....As I said before, the second thought we have, at this time especially, is of the wives and children of those who gave their lives and of the veterans, particularly those who are still suffering from the results of their service.

Here I can say, without fear of contradiction, that no country on the face of the earth has done more for its veterans than Canada. We have tried to see that in so far as was humanly possible, no one was better off because he didn't serve and no one was worse off because he did.

Another sentiment inspired by Remembrance Day is of our country, "our home, our native land".

While our object in both world wars was to preserve our freedom, we often used the expression that we wanted to make Canada a better place to live in.

CANADA'S REPUTATION ABROAD

Now, I have to travel a good deal about the world in connection with the nation's business, much more than I would like, but one good thing resulting from all this travel is that it enables one to see our country through the eyes of others. And I have found that no country on the face of the earth stands higher in the eyes of others than does ours.

There are a good many reasons for this.

There is the country itself, stretching from sea to sea with its resources of water and forest and farm and mine, with its vigorous climate and its vigorous people; with its traditions and history - a country more blessed than any other.

What has happened to Canada has come about because of the country and the work of our people in building it up. That work must go on. We must think of our security not only in terms of the defence against attack from without, but also by strengthening all the forces within the country to give better lives to every man, woman and child.

Our effort must always be to enlarge the area of human freedom, freedom from want as well as freedom from fear.

These men we remember today had that positive faith in their country and its future which led them to die for it. Others are showing that faith in the battlefields of Korea today. We owe it to them that we should have a similar faith so that while we are willing to die if necessary to preserve the things in which we believe, we are willing also to live in such manner that they shall be preserved, strengthened and extended for our children and our children's children.

* * * *

Canadian consumption of motor gasoline more than doubled during the last decade, rising to 54,910,000 barrels in 1951 from 23,439,000 barrels in 1942.

NEW NORTHERN HYDRO PLANT: Mr. R.M. Winters, Minister of Resources and Development announced on November 12 that a new hydro-electric plant, 200 miles south of the Arctic Circle, had commenced operations. It is located near Mayo, Yukon Territory, and operated by the Northwest Territories Power Commission. The capacity of this plant is 3,000 horsepower, which can be expanded to 6,000 when necessary. It will supply power to the lead, zinc and silver mines and communities of the Keno Hill and Galena Hill districts in the Mayo River area.

The power-house and main dam are located on the Mayo River, five miles north of Mayo Landing and 215 air miles north of Whitehorse. The dam is an earthfill structure having a total volume of 300,000 cubic yards, of which 112,000 cubic yards is an impervious core. It is 360 feet in length and 115 feet high. The tunnel between the main dam and the power-house is 1,865 feet long and is concrete-lined. The average tunnel section is approximately 10 feet wide and 10 feet 6 inches high before lining. The finished tunnel section is horseshow-shaped, having a maximum width of 8 feet and a height of 7 feet 4 inches. Power is generated at the power-house at a head of 120 feet.

Water storage has been provided in Mayo Lake by constructing a timber crib rock-filled structure 320 feet in length and 15 feet high. This storage dam will raise the level of the lake about 10 feet and will provide 250,000 acre feet of storage. This storage is approximately equal to three years' natural run-off at this point.

Power is delivered to consumers in the Mayo Landing area by means of a 6,900 volt transmission line which is six miles in length running south from the power plant. The Galena and Keno Hill mining areas to the north will be serviced by a 69,000 volt transmission line, thirty-three miles in length.

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NEW CANADA-U.S. FERRY: The contract for the construction of a vessel to operate between Yarmouth, N.S., and Bar Harbour, Maine, was awarded and announced on November 7 by Mr. Lionel Chevrier, Minister of Transport.

The Minister said that, when in operation, the new ship "will add considerable impetus to the interchange of traffic between Nova Scotia and the New England States and will attract tourist traffic to the Maritimes".

The vessel will have an over-all length of 345'-10" and a service speed of 18½ knots. It is designed to make one round trip a day during daylight hours with a maximum of 600 passengers. The ship has two automobile decks having a total daily capacity of 300 cars and is arranged to handle trucks and buses on the lower car deck. Provision has been made for a limited number of day-cabins and restaurant facilities will also be available on board. The vessel with cost nearly \$4,000,000.

HOWE TO VISIT SOUTH AMERICA: Mr. C.D. Howe, Canadian Minister of Trade and Commerce, announced on November 7 that he would head a goodwill trade mission of government officials and businessmen to Brazil, Argentina, Uruguay, Venezuela, Colombia, the Dominican Republic, Haiti, Cuba and Mexico early in the New Year.

The mission will leave Ottawa by air on January 5, 1953, and is due to return home on February 10.

Personnel of the mission will include the following businessmen: D.W. Ambridge, C.B.E., President and General-Manager, Abitibi Power and Paper Company, Limited, Toronto; J.M. Bonin, Managing-Director, La Société Coopérative Agricole du Canton de Granby, Que.; C.B. Davidson, Secretary, the Canadian Wheat Board, Winnipeg, Man.; James W. Duncan, C.M.G., President, Massey-Harris Company, Limited, Toronto, who is also representing the Canadian Manufacturers' Association; Alex Gray, President, Gray-Bonney Tool Company, Limited, Toronto, who is also representing the Canadian Exporters' Association; and K.F. Wadsworth, President and General-Manager, Maple Leaf Milling Company, Limited, Toronto.

Mr. Howe said that, while the principal purpose of the mission would be to assist in the development of trade between Canada and the countries concerned, it would also seek to strengthen Canada's general relations with these countries. Over the years, various official and semi-official missions from Canada have visited Latin America. The Canadian Government, in conjunction with the Canadian Chamber of Commerce and the Canadian Manufacturers' Association, sent a large delegation to Buenos Aires in March, 1931, when the Canadian pavilion at the British Empire Exhibition was opened. Visits were also made at that time to Uruguay and Brazil.

Mr. James A. MacKinnon, former Minister of Trade and Commerce, headed a trade mission to South America in 1941, and in February, 1946, he visited Mexico, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama and Colombia.

The extent to which trade between Canada and the nine countries to be visited on the forthcoming mission has increased is indicated by the fact that the aggregate value of trade in 1951 amounted to \$404 million, compared with only \$27 million in 1938, immediately prior to the Second World War. Canadian exports have risen in value from \$15 million to \$166 million during those thirteen years. Mr. Howe said that this increase indicated how great were the possibilities of the Latin American market for Canadian goods, and how much could be accomplished by continuous and intelligent efforts to sell in that area.

Canadian imports from the nine countries on the itinerary of the trade mission increased in value from \$12 million in 1938 to \$238 million in 1951.

AIR MARSHAL CURTIS TO RETIRE: Air Marshal W.A. Curtis, CB, CBE, DSC, ED, Chief of the Air Staff, will retire January 31, 1953, it was announced on November 8 by Mr. Brooke Claxton, Minister of National Defence. He will be succeeded by Air Vice Marshal C.R. Slemon, CB, CBE, CD, at present Air Officer Commanding, Training Command, Trenton, Ontario.

Air Marshal Curtis, 59, was appointed Chief of the Air Staff in September 1947, after serving successively as Deputy Commander in Chief of RCAF forces overseas and Air Member for Air Staff at Air Force Headquarters, Ottawa. In the latter capacity he also served from 1944 to 1947 as Air Member of the Canadian Section of the Permanent Joint Board on Defence.

Under his guidance the postwar R.C.A.F. has emerged as one of the world's leading air forces. Its strength has grown from less than 12,000 in 1947 to more than 37,000 today. When the current build-up is completed the R.C.A.F. will comprise 41 Regular and Auxiliary squadrons and personnel strength of close to 50,000....

Referring to Air Marshal Curtis' retirement Defence Minister Claxton said:

"Air Marshal Curtis' service was unusual in several respects. It covered the entire period of the two world wars and the years between. He is one of the few officers who has served in all three services - Navy, Army and Air Force. Between the two world wars he was active in the Air Force Auxiliary and he is the first Reserve officer in Canada ever to become a Chief of Staff.

"During the five years that he has been Chief of the Air Staff he has been largely responsible for planning and carrying out the expansion of the R.C.A.F. Under his direction our Air Force has maintained its fine record. He has given outstanding service to our country during the two world wars and in the years between."

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PRICE INDEX FALLS: The Dominion Bureau of Statistics consumer price index declined from 116.1 to 116.0 between September 2 and October 1, as declines in the food and clothing indexes outweighed increases in shelter, household operations, and other commodities and services.

The food index decreased from 115.8 to 115.1. Substantial decreases in the price of potatoes, beef and lamb were partly offset by reflection in the index of normal seasonal increases in the consumption of these foods. Among other foods, slight increases were registered by grapefruit, lettuce, fresh tomatoes, oranges, and fresh pork, while declines were shown for canned tomatoes, onions and cooked meats.

The clothing index decreased from 110.9 to 109.9, following decreases in men's wool underwear, women's fur and cloth coats, wool-

len yard goods, and children's wear. The household operation series increased from 116.0 to 116.2 as decreases in floor coverings, textiles and soap were overbalanced by increases in coal, fuel oil, and ice. The index for other commodities and services increased from 115.8 to 116.4, largely as a result of higher local transportation charges.

The shelter index advanced from 121.2 to 121.5 as slightly higher quotations were reported for house repairs and replacement items, and mortgage interest rates. Rents were not surveyed during October and the rent component of the shelter index remained unchanged.

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"NOOTKA" COMES HOME: Nearly a year after sailing from Halifax for her second tour of duty in the Korean war theatre, HMCS Nootka (destroyer) will bring her ship's company home in time for Christmas. The ship is due in Halifax December 17.

The Nootka, commanded by Commander R.M. Steele of Rothesay, N.B., will return to Canada by way of Singapore and the Suez Canal, thus becoming the second Canadian warship to have circumnavigated the globe. The first was HMCS Quebec (cruiser).

The Nootka has been relieved by HMCS Haida (destroyer), under the command of Commander Dunn Lantier, Montreal.

The Nootka steamed from Halifax on December 30, 1951, on her way to Korea for the second time. She reached the United Nations base at Sasebo, Japan, on February 13. Since then she has patrolled among the islands off the west coast of North Korea, fought gun-duels with Communist shore batteries, shelled shore objectives on both coasts, supported landings by South Korean troops and helped screen aircraft carriers....

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RAILWAY CARLOADINGS: Carloadings on Canadian railways during the last 10 days of October amounted to 139,418 cars, a daily average of 13,942 cars compared with 12,608 in the preceding week. This is the most active period in the current year and approaches the record for any similar span. Receipts from foreign connections were also heavy at 50,869 cars or a daily average of 5,087 cars against 4,987 in the previous period.

Cumulative totals for the first ten months of this year indicate only a minor decline from the peak reached in 1951. Total cars loaded to October 31 this year amounted to 3,483,884 cars, only 18,281 cars under the same period of last year and well above the 3,221,522 cars reported for the first 10 months of 1950. Foreign connections supplied 1,485,716 cars in the same comparison despite the steel-iron ore strike in the United States. This total compares with 1,503,898 cars for 1951.

CREAMERY BUTTER, CHEDDAR CHEESE: Production of creamery butter rose eight per cent in October and the first 10 months of 1952 over a year earlier, while the putput of cheddar cheese fell 22 per cent in the month and 24 per cent in the 10-month period. Domestic disappearance of creamery butter advanced eight per cent in October and three per cent in the 10 months.

Production of creamery butter in October amounted to 25,440,000 pounds as compared with 23,575,000 a year ago, bringing the 10-month total to 252,014,000 pounds as against 233,630,000 in the similar 1951 period. Domestic disappearance of creamery butter in October was 28,464,000 pounds compared with 26,390,000, and in the 10 months, 226,688,000 pounds against 220,374,000. Output of cheddar cheese in October totalled 6,934,000 pounds compared with 8,931,000 in October last year, and in the 10 months amounted to 60,329,000 pounds compared with 79,562,000.

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NEW CLRB APPOINTMENT: Mr. Milton F. Gregg, Minister of Labour, today announced the appointment of Allan C. Ross of Ottawa to membership on the Canada Labour Relations Board to represent employers.

Mr. Ross succeeds Albert Deschamps, who was appointed Director of European Defence-Construction Operations for the Canadian Government several months ago; because this necessitates his spending about two thirds of his time in Europe, Mr. Deschamps has found it necessary to resign from the CLRB.

Mr. Ross has on several occasions attended Annual General Conferences of the International Labour Organization at Geneva as adviser to the employer delegate.

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MANUFACTURING EARNINGS AND HOURS: Average weekly working time of wage-earners in Canada's manufacturing industries declined 1.5 hours between the weeks ending October 31, 1950 and 1951, while average hourly earnings rose nearly 16 per cent, largely offsetting the drop in hours to boost average weekly wages nearly 12 per cent in the 12-month period, according to the annual survey by the Dominion Bureau of Statistics. The work-week of salaried personnel fell slightly, while salaries averaged more than 12 per cent higher.

Hourly earnings of wage-earners in manufacturing averaged \$1.22 during the week ending October 31, 1951, as compared with \$1.056 in the same week of 1950. The average for men rose to \$1.313 from \$1.142, and for women to 82.5 cents from 72.5 cents.

CANADA BOND DRIVE DOING WELL: Sixteen days of selling show the Canada Savings Bond Payroll Savings campaign drawing ahead of the same period last year with a dollar total of \$159 millions from 620,308 employees.

This dollar figure is 5.2% ahead of the dollar figure last year. The number of applications is up 2.9%.

No new figures will be available for sales to the general public until early next week but the new Payroll reports now bring the aggregate sales for both classes to \$219 millions....

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RAILWAYS FINANCES: Operating revenues and expenses of Canadian railways both climbed to new record levels for July. Earnings rose 6.7 per cent to \$97,921,083 from \$91,773,964 in July last year, and expenses 7.1 per cent to \$88,153,916 from \$82,338,724. The resulting operating income in July was \$4,546,036 as compared with \$4,714,901 a year ago.

For the first seven months of 1952, operating revenues rose nearly \$55,663,000 over a year earlier to \$665,774,258, while expenses were \$56,053,000 higher at \$608,085,180. Operating income, however, was reduced to \$26,791,570 from \$29,543,474.

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WHEAT SUPPLY: Visible supplies of Canadian wheat in store or in transit in North America on October 16 amounted to 242,901,877 bushels as compared with 201,005,691 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces aggregated 13,329,824 bushels as against 43,684,161 a year earlier, bringing the total for the crop year to date to 135,383,358 bushels compared with 111,782,010 in the similar period of 1951-52. Overseas export clearances of wheat during the week totalled 4,219,452 bushels compared with 7,376,697 a year ago, and in the cumulative period amounted to 56,800,099 bushels against 47,618,255.

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MARGARINE: Production of margarine rose to 11,061,000 pounds in October from 10,154,000 in the corresponding month last year, bringing the cumulative total for the first ten months of this year to 87,547,000 pounds as compared with 87,428,000 a year ago. Stocks held by manufacturers, wholesalers and other warehouses on November 1 were down slightly to 2,614,000 pounds as against 2,712,000 on the same date last year.



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WEEK'S EVENTS IN REVIEW

THE PRISONER-OF-WAR IMPASSE: "At the moment one issue alone is holding up the truce," said Mr. Paul Martin, Minister of National Health and Welfare, in a speech to the First Committee of the 7th Session of the General Assembly of the United Nations on November 3, 1952, dealing with the war in Korea;

...What are the main elements of the Communist stand which has produced this deadlock in the negotiations? They charge that the United Nations stand is contrary to "generally recognized concepts of international law and morality". These are Mr. Vyshinsky's own words. Secondly, they charge that the proposals of the United Nations negotiators are "devoid of any reason and are still run through by unreasonable demands of forcible retention of prisoners". These last words came from General Nam Il's letter of 16 October. Finally, they charge that the Unified Command has made use of "the most horrible methods of torture and mass terror, an action the purpose of which is to force the prisoners of war to refuse to return to their homeland". This last quotation is taken from the statement which the representative of Czechoslovakia made in the plenary meeting on 20 October.

I would ask representatives in this Committee to consider these charges, together with the proposals made in the course of the last six months by the United Nations ne-

gotiators, and particularly in the light of the proposals which they made to the Communist command on 28 September....

I do not propose to spend a great deal of time, but a few moments only, on the legal aspects of this problem. Mr. Vyshinsky, with all the adroitness and professional skill that we know him to possess, argued vigorously that under international law and, more specifically, under Article 118 of the Geneva Convention of 1949 on prisoners of war, there was an obligation on the part of the Unified Command to send back to North Korea and to the Chinese Communist regime all prisoners of war, however strongly they resisted, fearing that once they returned they would be persecuted for political reasons.

RIGHT TO GRANT ASYLUM AGE-OLD

Surely Mr. Vyshinsky, or the USSR representative who is sitting in the Committee today, on reflection will realize that this is a shocking proposition. For centuries the right of a state to grant asylum has been one of the most cherished rights of the free nations of the world.

....It may be that in certain countries the concept of international law and morality prevents people from the exercise of their free will. I cannot believe, however, that representatives in this Committee could accept

PROVINCIAL REVENUES UP: Both the total net general revenue and the total net general expenditure of Canada's ten provincial governments will be higher in the fiscal years ending nearest to March 31, 1953, than in the previous fiscal years, according to a summary analysis of revenue and expenditure of these governments released by the Dominion Bureau of Statistics.

Estimated net general revenue aggregated \$1,059,606,000, an increase of 14.6 per cent over the estimated total of \$924,552,000 for the years ended nearest to March 31, 1952, while the net general expenditure (exclusive of debt retirement) totals \$1,141,625,000, up 11.8 per cent from the aggregate of \$1,021,059,000 for the previous year.

On the revenue side, estimated yield of all taxes totals \$529,933,000 as compared with \$462,400,000. Among major items in tax revenue, the expected yield from taxes on sales of motor fuel and fuel oil aggregates \$181,990,000 as compared to \$166,347,000, and that of general sales taxes \$90,550,000 against \$77,800,000. Estimated liquor profits are somewhat lower at \$102,211,000 in comparison with \$104,549,000, while income under federal tax rental agreements is substantially higher at \$154,656,000 as against \$122,526,000.

On the expenditure side, estimates for most of the major items show increases over the previous year. Estimated total expenditure on transportation and communications, largely highway expenditures, stands at \$287,737,000 as compared to \$265,954,000. Estimated cost of hospital care is up to a total of \$164,685,000 as against \$136,092,000, and all health expenditures to \$189,821,000 compared to \$158,638,000; while total welfare outlays, in contrast, are down to \$90,344,000 from \$96,818,000. Estimated spending on education aggregates \$215,047,000, up from \$184,715,000. Debt charges (including debt retirement) are also higher at \$111,965,000 as compared to \$103,385,000, debt retirement standing at \$52,083,000 against \$46,711,000.

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INAUGURATION OF CHILEAN PRESIDENT: The Department of External Affairs announced on November 1 that Mr. Léon Mayrand, Canadian Ambassador at Santiago, had been appointed as Special Ambassador of Canada to Chile on the occasion of the inauguration of the recently elected President of Chile, General Carlos Ibanez del Campo. The inauguration ceremonies took place at Santiago from November 1 to November 4.

In addition to Mr. Mayrand, the Canadian Special Mission comprised Messrs. J. Wolfe and M.R.M. Dale of the Canadian Embassy at Santiago, both of whom had the rank of First Secretary for the occasion.

The Ambassador transmitted to the new President a message from the Prime Minister extending his congratulations and best wishes to the people of Chile.

TRIPARTITE STANDARDIZATION CONFERENCE: A tripartite infantry conference involving leading military officials of Canada, the United Kingdom and the United States would be held at the Citadel in Quebec City, starting November 7, it was announced on November 2 by Mr. Brooke Claxton, Minister of National Defence.

Prior to the closed conference which was to last three or four days, it was stated, the delegates would participate in a familiarization tour of military installations, including the U.S. Infantry Centre at Fort Benning, Ga., the U.K. School of Infantry, Warminster, England, and the Infantry Training Camp, Valcartier, Que.

Object of the conference is to review current development of equipment under discussion; to arrange standardization trials where developments are sufficiently advanced, and to interchange information regarding weapons and equipment.

The conference will be opened by Lt.-Gen. Guy Simonds, Chief of the General Staff of the Canadian Army, and the chairman will be Maj.-Gen. H.A. Sparling, Vice-Chief of the Canadian Army General Staff.

The Canadian delegation will be headed by Brig. J.M. Rockingham, Director-General of Military Training and former commander of the 25th Canadian Infantry Brigade in Korea.

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RCAF BATTLE HONOURS: Her Majesty the Queen has approved a list of Battle Honours won by the RCAF during the Second World War, it was announced on October 31 by Air Force Headquarters.

The list contains those air battles in which squadrons of the RCAF participated. No battle in which personnel of the RCAF were engaged while attached to RAF squadrons is included unless RCAF squadrons participated in the same engagement. The list is co-related with the Battle Honours of the RAF as approved by His late Majesty King George VI....

The Battle Honours will be displayed by squadrons entitled to them in the form of a plaque headed by the squadron badge and number, and followed by a list of the Honours which have been awarded to that squadron.

In the event that squadron colours are introduced at a later date, the Honours will be appropriately displayed on the colours.

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RECRUITING GAIN: Canada's Armed Forces recruited 2,418 officers and men for the regular force during the month of September, it was announced on October 30 at National Defence Headquarters. This makes September the best recruiting month since April. The new figure brings the total strength of the three Services to 98,961, a gain of some 600 over the combined strength of the Services at the 31st August.

HOUSING PROGRESS: Starts on the construction of new dwelling units increased by a substantial 27 per cent in August, as compared with the corresponding month last year, while completions rose 11 per cent. The Dominion Bureau of Statistics reports that the increase in starts was the third in as many months -- a reversal of the downward trend in the first five months of the year -- while the gain in completions was the first recorded so far this year. There were six per cent fewer new dwelling units in various stages of construction at the end of August than a year earlier.

Number of dwelling units on which construction was started in August was 9,461 as compared with 8,759 in July and 7,461 in the corresponding month last year. The August increase boosted the total for the first eight months of the year to 53,511 units, slightly above last year's corresponding total of 52,049.

Completions in August were up to 7,911 units as compared with 4,715 in the preceding month and 7,183 a year ago, but the cumulative total for the first eight months of the year was down to 40,966 units from 50,803 in the similar 1951 period. The carry-over of uncompleted dwellings at the end of August was 56,289 units as compared with 59,867 at the same time a year ago.

Starts in Ontario rose in August to 3,716 units from 2,383 in the corresponding month last year, Prairie Provinces to 2,168 from 1,656, British Columbia to 552 from 337, and the Maritimes to 538 from 388. Total for Quebec fell to 2,205 units from 2,344, and Newfoundland to 282 from 353.

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BOND MOVEMENT FROM U.S.: The heavy movement of Canadian bonds from the United States to Canada which has characterized the international trade in outstanding securities this year was continued in August. Repurchase of Canadian bonds from the United States amounted to \$30,100,000 for the month against sales of only \$4,500,000 while the purchase balance in this type of security amounted to \$110,000,000 in the eight months ending August.

This movement of Canadian capital to the United States has been partly offset by net sales of Canadian stocks amounting to \$5,500,000 in August and \$56,600,000 in the eight-month period. Total transactions with the United States produced a purchase balance of \$21,300,000 in August as compared with a sales balance of \$400,000 a year ago. In the eight months there was a purchase balance of \$48,100,000 in contrast to a sales balance of \$44,600,000 a year earlier.

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There were 53,172 dozen baseballs and softballs, worth \$616,906, manufactured in Canada in 1950.

NEW EMPLOYMENT PEAK: Employment, payrolls, and average weekly wages and salaries in Canada's principal industries climbed to new peak levels at the beginning of September, according to preliminary figures released by the Dominion Bureau of Statistics. The advance index of employment rose to 190.1 from 188.8 at the beginning of August and 185.4 at September 1 last year, while the payrolls index advanced to 441.6 from 433.3 a month earlier and 400.2 a year ago. Average weekly wages and salaries increased to \$54.54 from \$53.89 at the beginning of August, and \$50.66 a year earlier.

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MANUFACTURERS' INVENTORIES: Estimated total value of inventories held by Canadian manufacturers at the end of August was \$3,465,900,000, virtually unchanged from the revised July figure of \$3,463,200,000, and approximately one per cent above last year's corresponding value of \$3,443,000,000, according to the Dominion Bureau of Statistics. In index terms, August inventories were 186.2 per cent of the average 1947 value compared with 186.1 in the preceding month, and 185.0 a year earlier.

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CANADIANS IN KOREA HONOURED: Twenty-one Canadians have been honoured for their services with the 25th Canadian Infantry Brigade in Korea in the latest operational periodic awards list issued by Army Headquarters on November 4.

Heading the list were Lt.-Col. Norman G. Wilson-Smith MBE of Winnipeg and Calgary, who initially commanded the 1st Battalion, PPCLI and Maj. Victor W. Jewkes, MC, of St. Johns, Que., former officer commanding "C" Squadron, Lord Strathcona's Horse (RC) in the Korean theater. Both these officers were awarded the Distinguished Service Order.

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I.J.C. APPROVAL ORDER AVAILABLE: It was announced on Saturday, November 1, that the Secretary of State for External Affairs had received from the International Joint Commission its Order of Approval dated October 29, 1952, regarding construction of certain works for development of power in the International Rapids Section of the St. Lawrence River.

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PAYROLL SAVINGS PLAN: With fresh figures from Payroll Savings Plan Organisers showing sales of \$120 millions to 460,000 Canadian employees, a new fillip is given to the campaign. These sales, together with those reported made to the general public up to October 24, total \$155 millions for Canada Savings Bonds, Series Six.

INCREASED HOUSING LOANS: Changes in regulations under the National Housing Act, 1944, designed to encourage increased activity in the construction of various types of rental housing accommodation, were announced on October 31 by the Minister of Resources and Development, Mr. Robert H. Winters.

Mr. Winters said that the Government had approved increases in the maximum joint loans which may be made by approved lending institutions and Central Mortgage and Housing Corporation under the terms of Section 8 of the National Housing Act. For rental housing projects which contain semi-detached dwellings or rows of semi-detached dwellings, the maximum loan per unit is now \$8,500. The maximum is scaled down according to the number of standard rooms and the floor area per unit. Previously the maximum per unit was \$6,700 while the maximum for one-family dwellings in rental projects was \$8,500. The change brings the semi-detached and row-housing types into line with individual houses.

Increases have also been made in maximum loans for multiple family dwellings financed under Section 8 of the Act, with the maximum per unit raised from \$6,700 to \$7,200 for a fully serviced unit of fireproof construction.

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NEW MAP OF CANADA: The publication of a new general geographical map of Canada, the first of its type in more than 20 years, was announced recently by Mr. George Prudham, Minister of Mines and Technical Surveys.

Drawn on a scale of 100 miles to the inch, the new map is in the form of a square which reaches to the North Pole, and shows Canada to be as high as it is wide.

It is the first map to give accurate shape to the far northern islands and on it are traced the approximate limits of the permanent polar ice cap.

Many new lakes, rivers, islands and towns will appear for the first time and numerous place names will be more accurately located as a result of the wealth of information now available.

Additional features include Newfoundland as a part of Canada, the Alaska Highway and the Mackenzie Highway serving the Canadian north, and all main and most of the branch railway lines.

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GRANTS TO MENTAL HOSPITALS: Federal funds have been earmarked to meet the costs of additional equipment for the treatment of mental illnesses at the Toronto Psychiatric Hospital, the Toronto General Hospital and the Ontario Hospital, Cobourg, Hon. Paul Martin, Minister of National Health and Welfare, announced on November 4.

All three projects, he said, are parts of a long-term programme to improve treatment services for mental illnesses.

MANUFACTURING REACHES NEW PEAK IN 1951 :

New all-time high records were set by Canada's manufacturing industries in 1951 in gross value of products, number of employees, salaries and wages, and cost of materials, according to preliminary estimates by the Dominion Bureau of Statistics. Estimated value of factory shipments for the first six months of 1952 climbed above the similar period of 1951.

Estimated gross factory value of products manufactured in 1951 was \$16,270,931,000, an increase of almost 16 per cent over the previous high of \$13,817,520,000 for 1950, while the estimated value of shipments in the first six months of 1952 was \$8,260,211,000 as compared with \$8,095,014,000 in the similar 1951 period, a rise of two per cent.

Number of employees rose to an estimated 1,247,500 in 1951 as compared with 1,183,300 in the preceding year, while salaries and wages increased to \$3,253,082,000 from \$2,771,265,000. Cost of materials used in the process of manufacture advanced to \$8,973,200,000 from \$7,538,531,000, and the cost of fuel and electricity rose to \$372,446,000 from \$336,930,000.

* * * *

COPPER AND NICKEL IN AUGUST: Production of new primary copper and nickel declined in August as compared with the corresponding month last year, according to the Dominion Bureau of Statistics. In the eight months ending August, copper output was below that of a year earlier but nickel production was larger.

The month's output of copper amounted to 20,563 tons as compared with 19,721 in July and 22,701 in August last year, bringing the cumulative total for the eight months to 170,895 tons as compared with 182,902. Nickel production in August totalled 11,912 tons compared with 10,371 in July and 12,304 in August last year. In the January-August period 93,109 tons were produced compared with 91,523 a year ago.

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GOLD PRODUCTION UP IN AUGUST: Canada's gold output amounted to 369,833 fine ounces in August, down slightly from the year's peak of 373,214 fine ounces in July, but up seven per cent over last year's August total of 345,096 fine ounces. Overall total for the first eight months of this year was 2,900,427 fine ounces, little changed from the 2,878,549 produced in the similar 1951 period.

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Quebec and Ontario, which accounted for almost 50 per cent of the Canadian apple crop in 1951, will account for less than 30 per cent of the 1952 crop because of substantial decreases in production in both provinces and a large increase in British Columbia and a moderate one in Nova Scotia.

(Continued from P.1)

THE PRISONER-OF-WAR IMPASSE

the argument that even if individual prisoners of war were to express a genuine desire not to return to a particular country they should be driven there by troops of either side under orders to club, bayonet or shoot them if they resisted. Such an interpretation of the meaning of the term "international law and morality" is surely impossible for and decent human being.

The second charge concerns forcible retention. Yet the Unified Command has offered to allow individual prisoners of war to express their individual views on repatriation, free of military control and before impartial bodies composed of civilian or military representatives of the parties to the conflict, or of parties who have not participated in the conflict, or of humanitarian organizations whose impartiality and devotion to the service of mankind are known throughout the world.

...This charge is coupled with another: that the Unified Command has used torture and terror to force prisoners of war to refuse repatriation. If there were a shred of truth in these allegations, would it not be common sense for the Unified Command to make every effort to prevent a free expression of views by prisoners of war before bodies completely free of military control? Yet the Unified Command is offering this very kind of free, impartial investigation.

GENEVA CONVENTION

....It may be worth while to examine the more specific charge of the Communist truce delegation that the terms offered by the Unified Command contradict the Geneva Convention relative to the treatment of prisoners of war.

....Our main concern when the Geneva Convention was under consideration was, surely, the welfare of the individual prisoner. That was stated here very ably the other day by the representative of Sweden. The Convention's purpose is essentially humanitarian; it is inspired by respect for human personality and dignity. In the preliminary remarks to the Second Revised Edition of the Four Conventions of 1949, the International Committee says that it has "laboured unremittingly for the greater protection in international law of the individual against the hardships of war". That clearly indicates the purpose which brought together the persons at that conference; it clearly underlines the character of the debates, without going into them in full; it clearly indicates the main purpose of the Conventions. Since the Conventions themselves were designed for the protection of the individual, no single article can be interpreted in such a way as to cause hardship for him. We still, therefore, await Mr. Vyshinsky's answer to the five questions put to him so aptly the other day by the representative of

the United Kingdom, as to whether the Soviet Union would really condone the practice of forcible repatriation.

...Now what is the record of the Communist command as regards the Geneva Convention, which, it seems, has suddenly become the guide and standard by which they wish the prisoner-of-war issue to be solved? This is their record. They have refused to follow the provisions of Article 23, concerning the disposition of prisoner-of-war camps. That, too, is contrary to "international law and morality". They have refused to grant prisoners of war facilities for communication with their families, as provided for in Articles 70 and 71. That, too, is a very important fact in considering the international law and morality of the situation. They have refused to allow the receipt of relief parcels, as provided for in Article 72.

TACTICS OF MR. VYSHINSKY

Hence, here again we find Mr. Vyshinsky's double standard technique. He endorses with fervour and rhetoric some articles of the Geneva Convention -- as, in fact, have the Communist negotiators at Panmunjon. But neither he nor they offer any explanation for their disregard of other provisions of the same convention, such as those I have just noted. Surely, if the letter of the law of two articles is so sacrosanct to Mr. Vyshinsky, I must presume that the letter of the law of these other articles is equally sacrosanct. Perhaps Mr. Vyshinsky could explain this. I offer it to him, at least, as one further question for him to answer; and I shall have some other questions for him in another context.

....In considering this prisoner-of-war issue there are only three possible interpretations that we can give to the stand taken by the Communist command: either they are in good faith, or a misunderstanding has arisen, or they are in bad faith.

If they are in good faith, it should not be difficult to reach agreement. If a misunderstanding has arisen, then we must continue to give serious study to the matter. If they are in bad faith, then the problem becomes insoluble. I do not mean the specific issue of prisoners of war but the whole Korean question for, once this issue had been resolved, the Communist command could choose to find excuse after excuse to prevent an armistice from being signed. In that event no amount of good will on our part would help to solve this problem, and the responsibility for the continuation of the Korean war would have to be placed squarely on the shoulders of those, whether Koreans, Chinese or Soviet Russians, who were intent on continuing the war.

....Let us consider for a moment the draft resolution submitted by Mr. Vyshinsky on behalf of the Soviet Union and analyse its contents in the light of the problems with which

we are faced, for every solution must be examined.

....By calling for the establishment of a commission at this time the representative of the Soviet Union, in my estimation at any rate, has put the cart before the horse or, as he once said in another debate a couple of years ago, the cart before the moose, and, deliberately or not, has, I think, added to our confusion.

I would now put the following questions to Mr. Gromyko, asking him to hand them on to Mr. Vyshinsky, concerning his draft resolution. First, when, where and by whom would the prisoner-of-war issue be discussed if his draft resolution were agreed upon? Second, would all the progress made at Panmunjom have to be abandoned and an entirely new set of negotiations undertaken by the commission? Third, would this commission be created before an armistice had been concluded, or is it suggested that the cease-fire talks should continue while the commission discusses other problems related to the "peaceful settlement of the Korean question..." and so on, as both sides have already agreed to do within three months of an armistice being concluded? And, finally, does Mr. Vyshinsky want to begin these political discussions before an armistice, or should we infer that the commission will come into being only after the armistice negotiations have proved successful?

ARMISTICE FIRST

The second point that I should like to make is that, in the absence of further explanation, there seems to be nothing new in the Soviet Union draft resolution. Mr. Vyshinsky will remember that last year, during the Sixth Session of the General Assembly, it was decided by an overwhelming majority of fifty-one in favour and only the five Soviet bloc members against that consideration of the Korean situation should be deferred until the conclusion of an armistice.

The priority established by the General Assembly last year still holds good this year. Last year it was the overwhelming view that without an armistice it would not be realistic to attempt to reach agreement on the terms of a political settlement. I am sure that the same overwhelming majority of this Committee still feels that way this year and that it still agrees that first things must come first.

The third point I have in mind is this. The draft resolution of the Soviet Union proposes the establishment of a commission for the peaceful settlement of the Korean question. On 7 October 1950, the General Assembly did, in fact, create a commission and directed it to assist in the establishment of a unified, independent and democratic government in Korea. It is the report of this commission which we are now considering. The resolution leading to the establishment of this commission was approved by forty-seven members states. I pre-

sume, however, that this is not the type of commission Mr. Vyshinsky has in mind since he refers to the participation in it of "the parties directly concerned and of other states".

I should like to remind Mr. Vyshinsky here that among the five points put forward on 11 January 1951 by the Cease-Fire Group of the General Assembly, there was a proposal for the establishment of some appropriate body which would concern itself with the problems of a political settlement. My delegation still stands by these proposals. I should like to emphasize, however, that the political conference proposed -- and I do not exclude a wider representation of states -- should not take place until agreement has been reached on a cease-fire.

AREAS OF AGREEMENT

Both sides have recognized that every prisoner-of-war shall be entitled to release and repatriation. There can be no real argument on that score. That right is guaranteed by the Geneva Convention. Both sides agree that Article 118 is binding. My delegation noted the Polish Foreign Minister's statement on Saturday that "repatriation should be carried out in accordance with international law" after an armistice, and we were encouraged -- I wonder whether there is not some hope in his words -- to hear him say that according to his understanding of the Geneva Convention, "the released war prisoner is returned to his home as a free agent". I should especially like to emphasize his words "as a free agent". I do not know whether that was a key or whether it was a suggestion to us. I do not know whether that was his answer vicariously to Mr. Lloyd's questions. But I hope he will not disillusion me when I express the hopeful view that in the words "as a free agent" he was suggesting to us that the situation on this score is not as hopeless as originally it seemed to be.

....There is no longer any disagreement that, in the event of an armistice, prisoners of war on both sides will be brought to agreed points in a demilitarized zone or zones. The two Commands have already agreed further that they will release the prisoners of war from the control of their respective military forces. All prisoners who would not resist the completion of their repatriation would be expeditiously exchanged.

The Unified Command has proposed that any of a number of impartial groups might be organized to interview prisoners of war who have indicated that they will forcibly resist the final stage of their repatriation. In the circumstances no use of force would be possible, for the prisoners would be in a demilitarized area under the control of an impartial protecting agency. So far the Communist command has failed to indicate why such a proposal is unacceptable. Perhaps the stumbling block is the composition of these suggested impartial protecting groups. Yet the

Communist command has been able to agree to other joint commissions. For example, they were able to agree to the composition of the commission provided for in Article 37 of the draft armistice agreement. Agreement on similar lines might be possible for the task of interviewing the prisoners. If a protecting power were needed within the meaning of the terms of the Geneva Convention, consideration could be given to vesting the same group, or even another group of powers, with this role. Those who refused to leave the neutral area would still retain the right to have their repatriation completed if and when they wished, and meanwhile they would be held by the protecting powers in a manner to be determined.

... We are all agreed that an armistice should be concluded as soon as possible and that there is but one issue which prevents the parties involved from agreeing on its terms, namely that of the treatment of the prisoners of war. Further, we are agreed that prisoners of war should be treated for all purposes, including that of release and repatriation, according to the principles of the Geneva Convention of 1949. We are not agreed as to whether prisoners unwilling to return should or should not be repatriated by force. We reject the use of force, and the Communists still have to pronounce themselves and we await their answer. We agree with Mr. Vyshinsky that there must be no forcible retention of prisoners of war for any purpose; does he agree that there must be no force used for any purpose in the completion of repatriation?

TIMING OF POLITICAL CONFERENCE

Lastly, we are all agreed, I think, that a political conference should be held to discuss the question of Korea. This conference, in our opinion, can properly be held only after an armistice has been achieved, while here again the Communists are non-committal. Now if we fail in our endeavour to reach a solution at this Session of the Assembly, it will be either because the Communists have refused to clarify their stand on the two points to which I have just referred, or that their answers indicate that they approve of physical violence for the purpose of repatriation and deliberately decide to blur the issue of a conference by insisting that it be held before an armistice has been achieved. They might not like the problems to be put that way, but simply stated that is exactly how they are.

... I have said that Korea has become a symbol for our time. It is clearly a symbol of the success of collective security in action. Now that aggression has been stopped and thrown back, it is in danger, I believe, of becoming a symbol not of success but of failure -- of failure to achieve peaceful collaboration. For if we cannot break through this final barrier of disagreement on one narrow issue based upon a principle which, as

Mr. Vyshinsky has said, has been recognized international practice for over 1,000 years, what are we to think of the whole concept of the possibility of peaceful co-existence on which, according to the highest Communist authority, the policy of the Eastern world is based? If peaceful co-existence is possible between states, is it impossible between men? Is the principle of co-existence applied when a prisoner of war is delivered dead to the other side because of his refusal to be delivered alive so as to face death? Surely peaceful co-existence cannot be based on corpses. Many Western Communists make a pilgrimage to Moscow, to Peking and to Prague. A few even stay there; and they are allowed to stay and, I presume, to live. Would this be a one-way street and should the West be deprived of exercising its right of asylum as the East does?

This is more than an academic question. Lives are involved. Some of the prisoners of war would rather die than return to Communist dominated countries. Even if there were only one, should he be dragged across the frontier? We are at times apt to forget that the division between East and West has echoes in the minds of private individuals, and that individuals have to pay dearly the price of what they call freedom. At the time, for example, there are hundreds if not thousands of prisoners in South Korea, who are anxiously awaiting the results of our deliberations, whose fate is in our hands. Are we to ignore their plight? In its simplest expression, co-existence means that two states or two groups of states apply the dictum of "live and let live". This should apply to individuals as well as to nations....

* * * *

CANADIAN AMBASSADOR FOR COLOMBIA: In recognition of the growing importance of their commercial relations and of the desirability of establishing direct diplomatic communications between them, the Governments of Canada and of Colombia have agreed to exchange missions of embassy rank, it was announced on November 6.

Mr. Edmond Turcotte has been appointed Canadian Ambassador at Bogota.

In October, 1947, Mr. Turcotte was appointed Canadian Consul-General at Chicago where he served until 1950 when he was appointed to Caracas, Venezuela, in the same capacity.

* * * *

NEW APPOINTMENT TO NEW YORK: The Secretary of State for External Affairs announced on November 6 the appointment of Mr. Ray Lawson, OBE, former Lieutenant Governor of Ontario, as Canadian Consul-General in New York. Mr. Lawson will replace Mr. K.A. Greene, OBE, who will be retiring early in the new year.

ST. LAWRENCE AGREEMENT SUPERSEDED: The Department of External Affairs announced on November 4 that the United States Government had been informed that the Canadian Government considered the Great Lakes-St. Lawrence Basin Development Agreement of 1941 as having been superseded by the plan envisaged in the joint application of the two governments to the International Joint Commission and the order of approval thereof made by the Commission on October 29, 1952, and that Canada, therefore, did not intend to take any action to have the Agreement of 1941 ratified.

Following is the text of a Note delivered by the Canadian Ambassador in Washington to the Secretary of State of the United States:

Sir:

I have the honour to refer to the project for the development of power in the International Rapids Section of the St. Lawrence River, which has now been approved by the International Joint Commission in its order dated October 29, 1952, in accordance with the applications submitted to the Commission by the Governments of Canada and the United States on June 30, 1952.

You will recall that, when the St. Lawrence development plan envisaged in these applications was first proposed to the President of the United States by the Prime Minister of Canada on September 28, 1951, the President agreed to support this plan if an early commencement on the plan envisaged in the Great Lakes-St. Lawrence Basin Development Agreement of 1941 was not possible. On April 14 last, when the Secretary of State for External Affairs and the Minister of Transport discussed the St. Lawrence development with the President of the United States, it was agreed that the Governments of Canada and the United States would submit applications to the International Joint Commission for a St. Lawrence power project as a necessary preliminary step toward the implementation of the plan proposed to the President in September, 1951. The applications were submitted on the understanding that both Governments would be ready, however, to revert to the 1941 Agreement and withdraw the applications if the Congress approved the 1941 Agreement during the time that the applications were under consideration by the International Joint Commission. Since these discussions, the Congress of the United States has not approved the 1941 Agreement which, after eleven years, still remains unratified.

The approval by the International Joint Commission of the applications of the two Governments for a power project now brings the St. Lawrence development to the point where construction can begin, both on the seaway and the power project, as soon as a duly designated entity has been authorized to construct the United States part of the power project. Legislation to implement the plan

envisaged in the applications to the International Joint Commission has already been enacted by the Parliament of Canada and by the Legislature of Ontario, and Canada has already taken certain preliminary steps with respect to the construction of the seaway. The Canadian Government, accordingly, has concluded that it would no longer be practicable to revert to the terms of the 1941 Agreement or to place that Agreement before Parliament for approval. The Canadian Government, therefore, considers that Agreement as having been superseded and does not intend to take any action to have it ratified.

I should like to express the gratitude of my Government for the co-operation which has been received from the United States Government in preparing for the construction of the St. Lawrence project, which is so urgently needed in the interests of the economic development and defence of both our countries. On behalf of my Government, I should also like to request the continued co-operation and support of the United States Government in completing the arrangements for proceeding with this project.

Accept, Sir, the renewed assurances of my highest consideration.

H.H. Wrong
Ambassador.

* * * *

STEEL OUTPUT UP: Canadian production of steel ingots was almost eight per cent higher in September than in the corresponding month last year, while the cumulative output for the first nine months of this year rose five per cent over a year earlier.

Output in the month amounted to 277,684 tons as compared with 257,880 in September last year, bringing the nine-month total to 2,698,394 tons as compared with 2,565,726 a year earlier. Daily average output for September was 9,256 tons compared with 8,596 and for the nine months, 9,848 tons compared with 9,398.

Production of pig iron in August -- latest figures available -- totalled 221,387 tons as compared with 203,186, while the combined output of steel ingots and castings amounted to 298,913 tons as compared with 286,804.

* * * *

IRON ORE PRODUCTION RISE: Canadian production of iron ore continued to rise steeply in July, and the output for the month at 902,900 tons topped all earlier records, according to the Dominion Bureau of Statistics. This was almost 26 per cent larger than last year's corresponding total of 717,900 tons, and about 40 per cent above the June output of 646,700 tons. Cumulative total for the first seven months of this year climbed 22 per cent to 2,644,300 tons from 2,167,300 in the same period of 1951.

GOVERNMENT



OF CANADA

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WEEK'S EVENTS IN REVIEW

CANADA'S FOREIGN POLICY: "Because we have had to resort to another instrument (NATO) to obtain real security, we should not fall into the easy habit of thinking of the United Nations as a useless burden and an exercise of sham and propaganda," said the Under-Secretary of State for External Affairs, Mr. L.D. Wilgress, in addressing the Canadian Club of Toronto on October 27.

"The organization remains of very great importance," he added. "It represents the only forum where East and West can meet. It is also the only forum of universal international co-operation and if we were to try to recreate it today we would not be able to do so. We must, therefore, resist the temptation to throw away the good because we cannot have the best.

"We must remember that the problem of the United Nations is not the veto or any other of its complex rules and regulations. It is the lack of a desire for peace on a basis of freedom that divides us from the East and prevents the co-operative accomplishment of our aims. In this situation we had no alternative but to rely on joint efforts with our fellow members of NATO wherein, happily for Canada, those who influence most of our international relations are co-operating with the others to build up a position of security without which our cause is lost."

Mr. Wilgress spoke of the growth of the Department of External Affairs and quoted figures which, he said, gave an idea of the sudden and wide increase in Canada's international activities. Apart from the growth in quantitative terms there had been a great increase in the complexity of its activities. It had been suggested that Canada was at one side of a triangle, with interests and associations of great importance at one side with the United Kingdom and at the other side with the United States. Her foreign policy was inevitably conditioned by both influences. This did not mean that we do not have interests and important relations with other nations, for instance our very special relationship with France.

Canada had found in the North Atlantic Treaty organization, he said, the answer to the vital problem of how to reconcile the claims arising from her dual orientation - on the one hand the United Kingdom looking to Canada for material military support and on the other hand Canada's obligation to make reasonable provision for the defence of her own territory and to play an honourable role in partnership with the United States in the achievement of continental security. After mentioning the two goals of NATO as the preservation of peace and security and the stability and well-being of the members, he proceeded, in part:

CANADA'S FOREIGN POLICY

"Good progress is being made towards the realization of the first of these goals. We are gradually building up our collective military strength... Now we have a steadily increasing integrated force under a Supreme Commander. We have already gone a long way towards the achievement of real security.

"Naturally this effort at rearmament entails sacrifices and imposes strains on the economies of the participating countries. After having descended too rapidly into the vale of unilateral disarmament, we are now climbing back slowly and painfully to that plateau of rearmament on which alone we can find security. Once we reach the plateau we should be able to relax to the extent of requiring only the maintenance of our renewed military strength.

COSTLY EFFORT

"However, all those in NATO - the politicians and soldiers alike - are well aware that the provision of effective defensive strength is a costly matter. For this reason we cannot proceed unmindful of the economic effects of concentrating efforts on the building up of armies, air forces and navies. The last ministerial meeting of the North Atlantic Council, held last February in Lisbon under the chairmanship of Mr. Pearson, approved a definite arms programme. At the same time it was recognized that the impact of an undertaking of this magnitude was bound to have results on the economies of the member countries that could not then be foreseen. For this reason it was decided that there should be an annual review, such as the one which was carried out before the Lisbon meeting, in order to reconcile military requirements with the political and economic capabilities. This annual review is now under way in Paris. Some newspapers are already speculating that the results will reveal a failure on the part of NATO to reach its objectives. This may be so in absolute terms, but I am confident that any deficiency will be relatively small and should be assessed against the magnitude of our collective efforts.

"Because we agreed to a programme last year and may modify it this year, this does not mean that we are failing to do our best to provide the maximum military strength we can achieve. On the contrary, while we must have plans, they should be flexible. We must constantly examine our progress to see whether the plans are fulfilling the aims of providing the best forces we can produce without crippling the economies of the NATO countries. This is the central problem of NATO - how to achieve at once both security and solvency. To solve this problem we must have an up-to-date appraisal of both the military and the economic positions.

"Thus, in the complex business of gearing fourteen nations to the maximum effort of

producing as quickly as possible the most powerful military forces they can afford, we should not be surprised if some modifications are necessary and, if so, we should not too readily attribute them to a lessening of determination or to a change of heart. The great problem is to maintain that spirit of strong determination which has driven the fourteen members of NATO to build up in peacetime a unified force under unified command as a safeguard against war. In the last resort it is the peoples of the North Atlantic countries who will decide whether the danger which faces them warrants the expenditure of a large proportion of their resources for the provision of military forces. Those responsible for formulating the policies of NATO are not unmindful of the dangers inherent in overburdening the economies of the member countries. The annual review that is in progress now must reconcile the claims of defence and the changing political and economic factors which weigh heavily on each country. Political and economic stability must co-exist or else the strongest army in the world is but an illusion of security consuming the very substance of the society it was created to protect.

NON-MILITARY OBJECTIVES

"While concentrating on the goal of achieving security we have not been able to devote as much attention as we would wish to the non-military objectives of the North Atlantic Treaty which are enshrined in Article 2 of that instrument. We have, however, never lost sight of these objectives. They were inserted into the treaty on Canadian initiative. The experience we are acquiring by co-operating together in building up military strength and in consulting with one another upon important political questions will stand us in good stead when we are able to devote more attention to co-operation in the social, economic and other fields. When we reach that plateau of rearmament on which real security is found, we will be able to broaden out our efforts to embrace all of the objectives incorporated in the North Atlantic Treaty.

"You will see from all this that the North Atlantic Treaty has become the main base of Canadian foreign policy. This does not mean that we have lost interest in the United Nations. The very fact that the Foreign Minister of Canada is now President of the General Assembly is indicative of our great interest in that organization. The North Atlantic Treaty is not in conflict with the United Nations Charter. Article 51 of the Charter recognizes the right of a country to take collective measures in self-defence if satisfactory arrangements cannot be secured through the machinery of the United Nations. The North Atlantic Treaty is nothing less than the exercise of this right to collective self-defence in the face of a very real threat of aggression. It was an effort to permit the aims of

San Francisco to be realized by demonstrating to a potential aggressor that any attempt to take advantage of the power vacuum in Europe would be resisted by a group of nations acting collectively....

"Canada cannot be indifferent to the aims and aspirations of those seeking either the economic development of their territories or the self-government of dependent territories. We ourselves have progressed rapidly along the road of economic development. We also progressed steadily along the path of self-government, commencing as a colony of one race conquered by men of another race and ending as a nation in which the two races are welded together in complete mastery of their own destiny. In our history, therefore, we have learned that progress on sound lines has to be gradual and that the conditions have to be right before one step can be followed by another. We know how difficult it is for free nations to achieve all that they would like to when so much of their time and effort must be directed to the accomplishment of the primary aim of security.

MAIN PREREQUISITE

"The main prerequisite of the foreign policy of any country is that it should reflect the aims and aspirations of the citizens of that country. That this is the case for the foreign policy of Canada is demonstrated by the unanimity with which there is agreement in Parliament on the objectives of our external relations. There may be disagreements on some of the methods of achieving these aims; but not on the aims themselves. This unanimity on the aims of our foreign policy proves that we have achieved an internal reconciliation of what may once have been conflicting views. It also indicates that the aims of our foreign policy are recognized by Canadians to be in the long-range interest of the country...."

* * * *

MANY NEW JOBS: Canada's record working force of 5,400,000 has been enjoying favourable employment conditions during the past few months. Many new jobs have been created with the large-scale development projects under way in Labrador, northern British Columbia and other undeveloped areas, the Minister of Labour, Mr. M.F. Gregg, announced on October 27.

Employers in established industries as well have been expanding their facilities and staffs are increasing accordingly. Several defence industries have shown marked growth with employment in both aircraft and ship-building increasing by approximately 50 per cent over the year.

The large working force in agriculture is beginning to decrease after completing a season of high activity. Demand for workers has

been heavy on the farms this year but labour supplies were also more plentiful than in other postwar years. Some rather severe shortages did develop in the Prairies where the crop was unusually large, but local supplies were augmented by workers moving into the area from all parts of Canada. Many of these came in organized movements carried out under the federal-provincial Farm Labour Agreements.

The current month is also a busy time for construction workers. Residential building picked up in August and September and considerable highway and maintenance work is under way at the present time. Much of this activity is being rushed to completion before winter weather begins.

Employment applications on file at National Employment Service offices declined from 147,800 at September 4 to 142,800 at October 2.

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TURKISH OFFICERS GUESTS: The first Turkish Army officers to come to Canada under the NATO scheme, arrived in Ottawa last week.

They are Senior Capt. Hakan Hunler, 29, of Istanbul and Lieut. Adan Ozaktas, 27, of Bursa, Turkey. As guests of Lt.-Col. Fazil Ciloglu, Turkish Military Attaché, they are visiting the Capital before reporting to Canadian Army Corps schools.

Companions on the four thousand mile air trip from Turkey, via Rome, Paris, London, New York, and Montreal, the officers will part company in Ottawa this week. Capt. Hunler leaves for the Royal Canadian School of Artillery at Shilo, Man., Lieut. Ozaktas for the Royal Canadian School of Signals at Barriefield, Ont.

Next January the two graduates of the Turkish Military College and War College will attend the 1953 course at Canadian Army Staff College, Kingston, Ont.

The Staff College class of '53 will include other NATO sponsored officers from Italy, France, Belgium and Norway. Also attending the eleven month course are Commonwealth exchange officers from Australia, Pakistan, India and Britain.

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CANADA-U.S. TRAVEL: Travel between Canada and the United States by rail, bus, boat and plane showed small overall increases in June and the first six months of this year as compared with a year earlier. Total number of passengers by all four means of travel rose to 286,275 in June from 262,940 a year ago, and to 1,125,042 in the half year from 1,048,002

Entries of visitors from the United States in June increased to 154,868 from 148,727, bringing the cumulative total for the six months to 491,502 compared with 465,311. Returning Canadians rose in number to 131,407 in June from 114,213, and to 633,540 in the half-year period from 582,691.

WORLD CO-OPERATION ATTAINABLE: "What the United Nations has already achieved is evidence that international co-operation is not an unattainable dream but a goal that, with God's help, will be reached some day," said the Prime Minister, Mr. Louis S. St. Laurent, in a statement on United Nations Day, October 24. The text of his statement follows:

"Today is United Nations Day and Canadians, together with other peoples of the world, will celebrate the seventh anniversary of the Charter of the United Nations which came into force on October 24, 1945.

"In these few years the United Nations can be proud of its achievements. The intervention of the United Nations in Korea, we are justified in believing, has had a salutary effect on would-be aggressors. In other parts of the world during these seven years the United Nations has been effective in bringing armed hostilities to an end. The member states of the United Nations are engaged in great co-operative undertakings to promote social progress and raise the standard of living throughout the world. If these are but small beginnings in comparison with the magnitude of the task, they are nevertheless of importance and significance.

WORTHY OF ALL EFFORTS

"To men of past generations, these achievements would not have seemed possible. The soldiers who have laid down their arms, the sick who have been treated, the hungry who have been fed and the struggling countries whose economies are being assisted through international co-operation are witnesses to the fact that the aims and purposes of the United Nations are worthy of all our efforts. What the United Nations has already achieved is evidence that international co-operation is not an unattainable dream but a goal that, with God's help, will be reached some day.

"The work of the United Nations should be the concern and active interest of us all. It is right, therefore, that on this birthday of the United Nations we should call to mind not only that which has been done and which remains to be done, but in particular that in giving support and encouragement to the achievement of the great and good purposes of the United Nations, each and every one of us may play his part in the making of a better world."

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SUN SPOT RESEARCH: Canada is making a new try at unlocking the mystery of sun spots, a subject that has fascinated inquiring minds for centuries. Long-range studies launched by the Dominion Observatory in Ottawa will seek new facts. The Observatory's 80-foot solar telescope has been fitted with a movie camera which will take a shot every three minutes while the sun is showing to record sun spot flares which last only a few minutes and have been likened to lightning bolts.

STRIKE IDLENESS: Time loss through work stoppages arising from industrial disputes in Canada during September, 1952, showed a slight drop from the preceding month continuing the down-trend which commenced during August, 1952, according to a preliminary summary of strikes and lockouts, released October 25 by the Minister of Labour, Mr. M.F. Gregg.

Preliminary figures showed 41 strikes and lockouts in existence during September, 1952, involving 15,045 workers with a time loss of 203,245 man-working days, as compared with 43 work stoppages in August, 1952, with 15,018 workers involved and a time loss of 205,515 days. In September, 1951, there were 35 strikes and lockouts involving 10,808 workers and a time loss of 117,480 days.

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IMPORTS RISE: A summary of foreign trade figures for September released by the Dominion Bureau of Statistics shows an increase in the value of Canada's total domestic exports to \$335,900,000 from \$320,100,000 in September last year, and an increase in estimated total imports to \$349,100,000 from \$311,500,000.

Domestic exports to the United States rose to \$192,800,000 from \$186,700,000 in September last year, but to the United Kingdom declined to \$42,200,000 from \$52,500,000. Estimated imports from the United States increased to \$255,500,000 from \$211,600,000, and from the United Kingdom to \$31,500,000 from \$28,600,000.

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MANUFACTURING INDUSTRIES: The manufacturing industries of Canada again established a new record in gross value of production at \$13,817,526,000 in 1950, an increase of 10.7 per cent over the previous high of \$12,479,593,000 in 1949. Part of the higher value was accounted for by an increase of about seven per cent in physical volume of production and the balance by increased prices of fully and partly manufactured products.

Accompanying the rise in output was an increase of one per cent in the number of persons employed to 1,183,300 from 1,171,200 the year before, and a rise of nearly seven per cent in salaries and wages to a new peak of \$2,771,267,000 from \$2,591,891,000. Total number of establishments increased to 35,942 in 1950 from 35,792.

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PERMAFROST RESEARCH: Canada now has one of the most northerly building research stations in the world. For two summers, NRC's Division of Building Research has participated in studies of permafrost in the Mackenzie River valley. On the basis of these investigations, Norman Wells was selected as the most suitable location for actual field research.

EXPORTS INCREASE BY \$360,000,000 AT LOWER PRICES

SEPTEMBER REPORT: Canada's domestic exports were moderately higher in value in September than in the corresponding month last year, totalling \$335,900,000 as compared with \$320,100,000. The value for August was \$345,100,000. With small declines in July and August and substantial increases in each of the first six months of the year, the cumulative total for the nine months ending September climbed almost 13 per cent to \$3,140,300,000 as compared with \$2,784,600,000 a year earlier.

The decline in the average prices of Canada's domestic exports continued in September, and their price level was almost five per cent lower than in September, 1951. While the volume of these exports was slightly lower than in August, it was about 10 per cent above the volume registered for September a year ago. The decline in volume from August to September was much less than in the preceding year.

Exports of foreign produce rose in value in September to \$5,332,000 from \$3,394,000 in the corresponding month last year, raising the total for the January-September period to \$40,390,000 from \$33,642,000 in the same 1951 period.

EXPORTS OF WHEAT

The decline from August was due chiefly to smaller exports of wheat than in the preceding months. Wheat exports totalled \$63,800,000 in August, and were even greater in the two preceding months, but in September reached only \$40,100,000. However, this was still above the level of September, 1951. As a result of this decline newsprint paper regained first place from wheat as Canada's largest export commodity in September, although wheat still holds first place in the nine months. There were sharp gains in September in the value of exports of other grains, wheat flour, planks and boards, aluminum, copper and aircraft and parts, but declines in rubber, cheese, wood pulp, automobiles, and zinc.

Exports to the United States were slightly higher in value in September at \$192,729,000 as compared with \$186,730,000 in the corresponding month last year. With declines in

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CANADA-U.S. COMMITTEE: Commencing October 28, meetings will be held in Halifax, N.S., of the Canada-U.S. Regional Planning Committee of the Canada-U.S. Regional Planning Group. This group is part of the North Atlantic Treaty Organization and is charged with planning the defence of Canada and the United States within the scope of NATO.

The Regional Planning Committee is responsible to the Chiefs of Staff Committee of the Regional Planning Group which is composed of the Service Chiefs of Staff of Canada and the United States.

five of the eight previous months this year the cumulative total for the January-September period fell slightly to \$1,669,629,000 from \$1,691,341,000 a year earlier.

The rise in exports to the United States in September mainly resulted from a large gain among commodities of the non-ferrous metals group. There were small gains in wood and paper, non-metallic minerals, chemicals, and miscellaneous commodities, but lower values for agricultural and vegetable products, animals and animal products, fibres and textiles, and iron products.

Showing the first decline from 1951 so far this year, exports to the United Kingdom dropped in value to \$42,171,000 from \$52,514,000 in the corresponding month last year. Lower exports of wheat were the chief influence in this decline. However, the cumulative total for the first nine months of the year climbed to \$576,289,000 from \$446,369,000 in the similar period of 1951.

COMMONWEALTH COUNTRIES

Exports to all other Commonwealth countries rose slightly in value to \$17,739,000 in September from \$16,035,000 in the corresponding month last year, and to \$208,134,000 in the nine months from \$167,717,000 a year earlier. Shipments to India, Ceylon and Australia were higher in value than a year ago, but those to India were sharply lower than in recent months. Exports to the Union of South Africa and the Federation of Malaya were lower than a year ago.

Exports to Latin American countries, totalling \$18,389,000 in September were about the same value as in the corresponding month last year, while the cumulative total advanced sharply to \$202,178,000 from \$132,001,000.

Shipments to European countries rose in aggregate value to \$49,618,000 in September from \$36,879,000 in the corresponding month last year, and to \$342,135,000 in the nine months from \$234,824,000. An outstanding feature in the last three months has been the sharp gain in exports to Germany.

Meetings of the Canada-United States Regional Planning Committee are held as frequently as business requires. The previous meeting was held at Port Bragg, N.C., on May 12, 1952.

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Canadians sent 1,785,836 cablegrams in 1951, 98,000 more than in 1950.

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The cost per patient day in Canadian T.B. sanatoria in 1950 was \$4.85.

MR. HOWE ON WHEAT AGREEMENT: Describing Canada's grain production and sales as one of the "bell-wethers" of the nation's economy, the Minister of Trade and Commerce, Mr. C.D. Howe, said before the Junior Investment Dealers' Association of Canada at Toronto on October 28 that whereas the value of the 1951 grain crop to the farmers of the Prairies was about \$1,-500 million there was every reason to expect an increase of from 20 to 22 per cent in the value of the 1952 crop to western farmers.

Speaking of the International Wheat Agreement, he said:

"This is a multilateral contract between some 40 importing countries and four exporting countries -- Canada, the United States, Australia and France. Its general purpose is to stabilize trade and prices. Each of the exporting countries undertook to sell a stated quantity of wheat at a maximum price, if called upon to do so, during a four year period. Each importing country undertook to buy a stated quantity of wheat at a minimum price, if called upon to do so. That is all there is to it. There is nothing about controls on production, or anything of that kind. It is a straight business deal.

RISKS INVOLVED

"Naturally there were risks in entering into a long-term contract of this kind. The exporting countries ran the risk that prices would push harder against the ceiling than against the floor. The importing countries took the opposite risk. Every businessman runs the same risk when he enters into a long-term contract of any kind.

"It turned out that prices have pushed hard against the ceiling throughout the present International Wheat Agreement. It cannot be concluded, however, that Canada was wrong to have entered into such a contract. What would the critics have said if prices had fallen to the floor? The contract was entered into in good faith, with the support of the leading farm organizations and there need be no regrets. We have fulfilled our side of the contract to the letter and, in so doing, have created many new friends for Canadian wheat and flour.

"The Government of Canada and the western grain growers are still interested in trying to achieve reasonable stability of prices and markets and will continue to support the principle of an International Wheat Agreement. Canada will participate in a renewal of the Agreement if reasonable terms can be negotiated, and, let me add, we shall not be easily satisfied. We approach the forthcoming negotiations, not with a bias against an international agreement, but still of the view that this type of arrangement has much to commend it as against bilateral agreements, or as against the violent instability that might otherwise affect wheat markets and prices.

"What Canada should aim to do and what I think we have been able to do to an important extent, during these past few years, is to build up continuing outside markets for Canadian grain; not 'in and out' customers, but customers that look upon Canada as a reliable supplier. The International Wheat Agreement has helped to establish those connections for our wheat and flour. We can, of course, get along without such an Agreement and its renewal can by no means be taken for granted. But I think that it would be good for Canada, and good for the world generally, if a satisfactory extension could be arranged..."

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TELEVISION SALES: Television receiver sales in June totalled 4,835 units valued at \$2,-124,754 compared with 457 worth \$234,714 in June, 1951. In the half year, 27,294 units were sold with a value of \$13,063,041 as against 19,709 at \$10,898,413 in 1951. Month-end inventories were 16,807 compared with 11,331.

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SAVINGS BOND SALES: Sales of Canada Savings Bonds totalling \$133 millions were reported for the first two weeks of the campaign by the Bank of Canada on October 28.

Of this amount nearly \$100 million represented sales to employees of Canadian companies through the Payroll Savings Plan. Average purchase by employees was \$256.87 - the highest yet on record.

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SMALLER APPLE CROP: Second estimate of Canada's 1952 fruit production indicates smaller crops of apples, pears and grapes than in 1951, and moderate to substantially larger crops of other fruits. The apple crop for all Canada is now estimated at 12,785,000 bushels, down 825,000 bushels from the revised estimate of 13,610,000 bushels for 1951.

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I. J. C. APPROVES POWER PROJECT: The International Joint Commission announced on October 29 its approval of the joint Canada-U.S. application for permission for designated agencies to build \$450,000,000 worth of power installations in the St. Lawrence River, near Cornwall. Canada has named the Ontario Hydro Electric Power Commission as its agency. The agencies would split the cost and the 2,200,000 horsepower of electrical energy in the international section of the river.

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Of the 597 judges and magistrates in the ten provinces at June 2, 1951, 592 were male and five were female.

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 DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

DEFENCE COSTS CLIMB: Budgetary expenditures exceeded budgetary revenues in September by \$45.7 million. This deficit for the month compares with a budgetary surplus of \$1.8 million for August, 1952, and of \$15.7 million for September, 1951. For the first six months of the fiscal year the excess of budgetary revenues over budgetary expenditures was \$291 million, a decrease of \$142.2 million from the surplus of \$433.2 million for the corresponding period last year, the Minister of Finance, Mr. Douglas C. Abbott announced on October 18 in his statement on financial operations for the month and six month period.

Budgetary revenues continue closely in line with the total forecast at the time of the budget, the statement continued. For September, collections totalled \$316.9 million, an increase of \$28.5 million over those for September, 1951. For the first half of the fiscal year revenues amounted to \$2,000.1 million, which is approximately 47 per cent of the total forecast for the year as a whole, and \$194.8 million more than the total of \$1,805.3 million collected during the corresponding period of 1951.

For September, budgetary expenditures amounted to \$362.6 million. For the first six months expenditures averaged \$284.8 million, the total of \$1,709.1 million being just over 40 per cent of the \$4,270 million

total forecast in the budget for the fiscal year as a whole. Last year \$1,372.1 million or approximately 37 per cent of the total expenditures for the year had been made at this date.

Individual income tax collections in September were up by \$12.5 million over September, 1951, corporation income tax receipts by \$7.3 million, excise duties by \$7.4 million and customs import duties by \$5.4 million, but excise tax collections for the month were \$3.5 million less than for September, 1951. This decrease in excise tax receipts, however, is more than accounted for by the fact that while last year all collections from the 10 per cent sales tax were credited to budgetary revenues, in 1952 only 8 per cent was so credited, the other 2 per cent going into the Old Age Security Fund. When the amount credited to the Fund is added to the total excise tax receipts, there is a net increase of \$7.9 million in collections.

Budgetary expenditures during September, at \$362.6 million, were \$89.9 million more than the total for September, 1951. This was due in part to increases of \$22.6 million in subsidy and tax rental payments to provinces, \$3.6 million in expenditures of the Department of National Health and Welfare (principally for family allowances, old age assistance and blind persons allowances) and \$3 million in

CARE OF ESKIMOS: The need for a practical approach to education to prepare the Eskimos to cope with changing times in the Arctic has been strongly stressed in the first findings of the committee created by the Eskimo conference held at Ottawa in May, the Minister of Resources and Development, Mr. R.H. Winters, has announced.

"It is proposed," he said, "to extend the present school system and to provide camp hostels at schools for Eskimo children who live away from the settlements. Many of these could attend school during the spring and summer months without interfering too much with their normal, nomadic way of life."

The Committee agreed that besides extending facilities for elementary education to all Eskimo children, provision would have to be made for higher education, and technical training for those who showed particular aptitude. Eskimos who give evidence of possessing the necessary qualifications will be enabled to prepare themselves to work as teachers, nurses, or artisans, either among their own people, or in the settlements in or out of the Arctic.

Mr. Winters said that arrangements are under way by the federal Government for the building of an eight-room school at Aklavik. This will bring to eight the number of federal schools which Eskimos can attend.

REHABILITATION CENTERS

"Many Eskimos who have had tuberculosis suffer broken health for the rest of their lives," Mr. Winters pointed out. "It is a great hardship for them to return from hospital to the rigorous northern life they have known before. Therefore, to help solve the problem, two convalescent or rehabilitation centres for Eskimos are to be established in 1953."

The centres will be at Driftpile, Alberta, and Frobisher Bay, in southern Baffin Island, for Eskimos from the Western and Eastern Arctic respectively. Convalescent Eskimos will go to the Baffin Island centre where they will learn to take up their normal activities again.

"On the other hand," said Mr. Winters, "the Driftpile centre will be something of an experiment. At Driftpile we hope to find out if Eskimos unfit to return to the north are adaptable and can adjust themselves to other occupations, in other areas than the Arctic."

Consideration was also given to the problems involved in extending medical care to Eskimos, and particularly to the programme which has been in effect during more recent years for the detection and treatment of TB.

With the opening up of the North, which has followed the development of air travel, there have been a number of epidemics of diseases such as measles, scarlet fever and whooping cough. In primitive times these were unheard of among the Eskimos. Ordinary health and medical problems are being met by frequent medical patrols, local hospitals and nursing

stations and by the voluntary work of missionaries, traders and police throughout the country. Cases requiring specialized surgery or treatment are brought out by plane or boat to hospitals in the south. Hence the need for rehabilitation centres.

The development of handicrafts under the direction of the Canadian Handicraft Guild as a source of Eskimo income has shown good results, the committee agreed. Government assistance will be continued. Other small industries such as boat building, fishing for local markets and the collection of eiderdown are to be encouraged.

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BEIRUT TRADE COMMISSIONER: The Minister of Trade and Commerce, Mr. C.D. Howe, announced on October 17 that an office of the Canadian Trade Commissioner Service would be opened in Beirut, Lebanon, and that Mr. G.F.G. Hughes has been appointed to that office as Canadian Government Trade Commissioner. The territory of this office will include Iraq and Syria, as well as Lebanon.

Mr. Howe said that, in establishing an office in Beirut, his Department is pursuing its policy of exploring the possibilities of trade promotion in some of the smaller countries of the world, where prospects appear favourable. Canada's trade with this territory has increased substantially during the last four years; from a value of \$7,752,000 in 1948 to a value of \$26,611,000 in 1951. Canadian imports from these three countries have risen from a value of \$827,000 in 1948 to a value of \$18,513,000 in 1951, whereas Canadian exports have increased only from \$6,925,000 to \$8,098,000 in the same period.

Canada exchanges most-favoured-nation tariff treatment with all three countries concerned.

Mr. Hughes is being transferred from Istanbul, Turkey, where he has served as Commercial Secretary for Canada since January, 1949.

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5 BILLION K.W.H.: Production of electric energy by central electric stations continued to increase in August, the month's total rising eight per cent to 4,968,011,000 kilowatt hours as compared with 4,597,412,000 in the corresponding month last year. An unbroken series of monthly gains this year boosted the cumulative output for the first eight months of the year nearly seven per cent to an all-time peak for the period of 40,617,253,000 kilowatt hours against 38,042,254,000 a year ago.

Gross exports to the United States advanced to 206,370,000 kilowatt hours in August from 159,726,000 in the corresponding month last year, and in the January-August period to 1,808,134,000 kilowatt hours from 1,619,910,000,

AUGUST EXPORT SURPLUS OF \$47,500,000

\$243,100,000 IN 8 MONTHS: Canada rolled up another large export surplus of \$47,500,000 in her foreign trade with all countries in August in marked contrast to an import surplus of \$3,900,000 in the corresponding month last year. With export surpluses in each month of the year except May the cumulative credit balance for the first eight months of 1952 climbed to \$243,100,000 -- a complete reversal of last year's large import surplus of \$335,800,000 for the same eight-month period.

With a gain of 2.8 per cent in volume outweighed by a drop of 4.1 per cent in prices, Canada's domestic exports to all countries dropped slightly in value in August to \$345,100,000 from \$349,800,000 a year earlier. The volume of imports rose 1.2 per cent but prices were 16.1 per cent lower than a year earlier, resulting in an overall decrease in the total value of imports to \$302,900,000 from \$357,500,000. Foreign exports moved up in value to \$5,200,000 from \$3,800,000.

Domestic exports to all countries rose 13.8 per cent in the first eight months of this year to \$2,804,400,000 from \$2,464,500,000, and foreign exports rose to \$35,100,000 from \$30,200,000. Imports in the eight months dropped 8.3 per cent to \$2,596,400,000 from \$2,830,500,000.

Trade with the United States produced a smaller import surplus of \$31,900,000 in August -- lowest this year -- as compared with \$33,700,000 in the corresponding month last year, while the cumulative total for the eight-month period was slightly higher at \$413,500,000 against \$407,700,000. Domestic exports to the United States fell in August to \$176,400,000 from \$192,800,000 a year ago, and in the January-August period to \$1,476,900,000

from \$1,504,600,000. Foreign exports in August were valued at \$4,600,000 against \$3,000,000, and in the eight months at \$26,800,000 against \$23,000,000. Imports were down in August to \$212,800,000 from \$229,500,000, and in the eight months to \$1,476,900,000 from \$1,504,600,000.

There was an export surplus of \$39,200,000 in trade with the United Kingdom in August as compared with \$27,600,000 in the corresponding month last year, bringing the cumulative total for the first eight months of the year to \$309,300,000, sharply above last year's January-August total of \$88,000,000. Domestic exports rose in August to \$71,400,000 from \$66,400,000, and in the eight months to \$534,100,000 from \$393,900,000. Foreign exports were unchanged in August at \$200,000, but higher in the eight months at \$3,000,000 against \$1,100,000. Imports from the United Kingdom were down in August to \$32,400,000 from \$39,100,000, and in the eight months to \$227,900,000 from \$307,000,000.

In trade with the rest of the sterling area there was again a small export balance in August, bringing the cumulative total export balance with that group of countries in the eight months to about \$83,000,000 compared with an import balance of \$62,900,000 in the same period of 1951.

Trade with all other overseas countries continued to be an important contributor to the export balance. In August exports to these countries exceeded imports by some \$35,000,000 and in the eight months of this year the cumulative export balance was over \$264,000,000 compared with \$217,900,000 in the same months of 1951.

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TRANS-BORDER AVIATION: The following commentary on Canada-U.S. trans-border aviation operations is from the address of Mr. J.R. Baldwin, Chairman of the Air Transport Board, Government of Canada, to the International Northwest Aviation Council, October 10, at Great Falls, Montana:

"As a result of the close co-operation which has existed between Ottawa and Washington in aviation matters we have been successful in providing for extensive growth of trans-border operations, possibly more complete than between any other two countries. We have achieved a working arrangement with regard to non-scheduled trans-border operations which has eliminated a great deal of the red tape which existed, although to date U.S. operators have shown a greater desire to take advantage of it than Canadian operators. This type of arrangement could well I think be applied between other countries. Scheduled routes between Canada and the United States are govern-

ed by a formal bilateral agreement and while we have over twenty such routes incorporated in the trans-border agreement, I believe that in due course we should go even farther in the direction of more trans-border routes and more opportunities for reciprocal operations."

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RETAIL SALES UP 7 P.C.: Canada's retail establishments had estimated dollar sales of \$959,159,000 in August. This was 6.9 per cent above last year's August value of \$897,413,000 but 0.6 per cent below the July total of \$965,350,000. Sales during the January-August period this year aggregated \$7,190,380,000, or 6.6 per cent greater than in the similar period last year when the value was \$6,743,382,000.

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In 1951, 385,648 new motor vehicles were sold in Canada for \$950,159,511.

FUTURE PROGRESS DEPENDENT ON FLEXIBLE ECONOMY

MR. HOWE'S TRADE VIEWS: Canada's recent growth and prosperity are based on the possession of rich resources and favourable opportunities to develop them, as well as upon the fact "that there has been in Canada an environment in which enterprise and initiative have had a chance to show what they could accomplish for the common good," the Minister of Trade and Commerce, Mr. C.D. Howe, said at the annual dinner of the Canadian Chamber of Commerce, in Toronto on October 21.

Stressing the point that the great advances had been attained within the framework of "free enterprise" and "free competition," he added:

"The expansion of this country has not been directed by governments. It is not the result of subsidies or artificial stimulation. It is not of the 'hot house' variety, hiding behind new trade barriers, and unable to meet world competition. On the contrary, it is the result, in the main, of the efforts and investments of private individuals and companies who were prepared to work hard and to take risks."

He concluded his address with some comments on the future, as follows:

"I believe that Canada's future progress depends to an important degree upon the retention of a flexible, adaptable economy. While most of us are convinced that the best is yet to come, as far as Canada is concerned, progress will not be automatic. The world is not being run to suit Canadians. We must be ready to adapt ourselves to changing circumstances."

BOLD TRADE POLICIES

"This is particularly true in the field of trade in which, as Minister of Trade and Commerce, I have a special interest. The bold trade policies followed by the Government and the vigorous efforts made by Canadian exporters to sell Canadian goods abroad have produced exceedingly good results. But there is not one of us, I am sure, who is satisfied that the trade of Canada could not be improved."

"As far as the Government is concerned our efforts to enlarge trade opportunities will be pushed with the utmost vigour. We believe that further reductions in trade barriers between countries would be in the general interest and we are ready to take part in negotiations to that end."

"As you know, discussions have been taking place in London between officials of Commonwealth countries in preparation for a conference later in the year at the ministerial level. Canada was represented at the official discussions, and Mr. St. Laurent and Mr. Abbott will be attending the conference of Prime Ministers."

"These talks are concerned with the difficulties of the sterling area and how best they can be overcome. Although Canada is not a member of the sterling area, we have a vital interest in its fortunes. I hope that useful results will emerge and that progress will be made towards the objectives we all seek -- a removal of the restrictions on trade that now surround the sterling area, and the restoration of sterling to its traditional position as a world currency."

"There is no magic formula or simple technical device by which these objectives can be achieved, and we should always bear in mind that the decisions to remove trade restrictions and to restore convertibility, when they are made, will be made not by us, but rather by the governments of the United Kingdom and the other sterling area countries. The Canadian dollar is now fully convertible and we do not now impose quantitative restrictions on trade with any part of the free world."

"Britain and the sterling area face a deep-seated problem -- a persistent tendency for imports to run ahead of exports. Canada will continue to have a part to play in constructive efforts to solve this problem. But the solution depends, not primarily on the help of Canada or any outside country, but in the main upon what the peoples of the sterling area do within their own countries to achieve stability and expand output."

EXPANSION OF TRADE

"However important these Commonwealth talks may be, the Government is not losing sight of possibilities for expanding trade elsewhere. This is not a time to sit down and bemoan the fact that some markets are closed to Canadian goods. Rather is it a time to be even more aggressive in the development of those markets which are available. This is the principle on which the Canadian Government is proceeding."

"Governments, however, do not sell goods. All they can do is to follow policies that contribute to a greater volume of trade, and provide facilities to help exporters in carrying on their business. How much trade is done depends, in the final analysis, upon the production of goods that can be sold at competitive prices in the available markets, and upon salesmanship. That is your job as businessmen."

"Mr. Chairman and gentlemen, these are some of my views of the business situation in Canada as we find it today. I see nothing in the situation that warrants pessimism, but you will agree that we cannot afford to be complacent. The international situation is such that the Canadian business man must be vigilant and aggressive, ever on the lookout for new opportunities and new markets...."

(Continued from P. 1)

DEFENCE COSTS CLIMB

those of the Department of Veterans Affairs (principally for disability pensions and veterans' allowances). However, defence expenditures (that is, the expenditures of the Departments of National Defence and Defence Production), which increased \$56.3 million to a total of \$157 million accounted for the major part of the increase. This total for September is above the monthly average of \$122 million for these defence expenditures for the fiscal year to date, but it is still considerably below the average monthly expenditure of \$177.1 million for which Parliament has made provision.

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JET TRANSPORT PILOTS: More than 60 RCAF officers and men will go to England this month to take extensive training on the British Comet jet-transport, Air Force headquarters announced on October 21. The RCAF expects delivery on two of these 500-mile-an-hour transports early next year and this training will give the Air Force a pool of experienced air and ground crews to fly and maintain them.

Nine pilots, all senior Air Transport Command captains and veterans of the Korean Air-lift, will take ground and air training at the DeLiaivilland manufacturing plant. Two navigators and two radio officers, all with airlift experience, will also undergo training at the Comet factory. The RCAF ground crews will be given on-the-job training as well as classroom lectures to enable them to master the maintenance problems of jet aircraft.

The pilots have all flown the Comet on familiarization flights between Britain and Singapore by agreement with the British Overseas Airways Corporation.

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SOUTH AMERICA AIR ROUTE: Application of the Canadian Pacific Air Lines Limited for a licence to operate an international scheduled commercial air service out of Vancouver to Mexico City in Mexico, Lima in Peru and Sao Paulo and Rio de Janeiro in Brazil has been approved by the Air Transport Board with the concurrence of the Minister of Transport. Order in Council P.C. 4245 of October 9 last, expresses the opinion that it was "in the public interest that a licence be issued for such an international air route."

A formal announcement issued by Air Transport Board says that "negotiations are proceeding with the governments and authorities concerned for agreements and authorizations" designed to permit the operation of the commercial air service applied for. The announcement further states that "the Government of Canada has named the applicant (C.P.A.) as the air line to be designated to operate the said route pursuant to such agreements and authorizations to be concluded or obtained."

WAGE RISES: Weekly wages paid to hourly-rated wage-earners in manufacturing industries averaged 7.5 per cent higher at the beginning of August than a year earlier, according to advance figures released by the Dominion Bureau of Statistics. The average for durable manufactured goods rose 8.2 per cent, and non-durable goods, 6.9 per cent. Average for mining advanced 6.8 per cent, electric and motor transportation 10.5 per cent, buildings and structures 14.6 per cent, and services 6.8 per cent.

Average weekly wage for hourly-rated personnel in manufacturing at the beginning of August this year was \$53.02 as compared with \$49.31 a year earlier; durable manufactured goods, \$57.43 against \$53.07; and non-durable goods, \$48.29 against \$45.18.

Weekly wages of hourly-rated wage-earners in mining averaged \$62.50 against \$58.52; electric and motor transportation, \$58.64 against \$53.04; buildings and structures, \$59.64 against \$52.06; and services, \$31.06 against \$29.07.

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IRON AND STEEL PRODUCTS: Gross value of production of the group of twelve industries classified by the Bureau of Statistics under iron and steel products aggregated \$1,525,000,000 in 1950 compared with \$1,419,000,000 in 1949, an increase of seven per cent, according to the general review of the iron and steel products group for 1950. Net value of production -- the gross value less cost of materials, fuel and electricity -- also advanced seven per cent to \$817,000,000 from \$761,000,000 the previous year.

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FOR KOREAN ORPHANS: (National Defence.) It was a big day for some 300 small Korean orphans when senior officers of the 25th Canadian Infantry Brigade, representing all Canadian soldiers in Korea, presented \$3,700 last week to further welfare work being done by charitable organizations for the homeless and the hapless. The money was the remainder of the fund donated last Christmas by the Canadian Brigade to assist in the care of little children, orphaned by the ravages of war.

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\$93,000,000 DEFENCE CONTRACTS: The total value of defence contracts awarded to Canadian firms in the last half of December was nearly \$93,000,000, it was announced October 15. The largest single contract was with A.V. Roe (Canada) Limited for Orenda engines for installation in Sabre jets being built by Canadair Limited in Montreal. The estimated value of this order is \$66.6 million.

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Canadians make about 12,000 telephone calls a year to people in Great Britain.

SEES COAST TO COAST BENEFITS FROM SEAWAY

MINISTER AT FINAL HEARINGS: Back from Washington where he attended the final hearings by the International Joint Commission on applications by the Canadian and United States Governments for approval of the construction of works for the key power development in the international rapids section of the St. Lawrence River, the Minister of Transport, Mr. Lionel Chevrier, on October 24, expressed the view that work would start on the project as soon as this and one other hurdle were surmounted.

The second hurdle was that "the United States has yet to name the entity that will act in that country with respect to the power development, and that entity must have a licence from the Federal Power Commission." The Minister was addressing the 27th annual Conference of the National Purchasing Agents which is being held under the auspices of the Council of Canadian Purchasing Agents' Association at Toronto.

CO-OPERATION FROM U.S.

Co-operation from the United States was required for the basic power development in the international section of the St. Lawrence River. He said "that co-operation is being extended by the administration in Washington," for which "we are most grateful." He pointed out that construction of navigation canals as part of the all-Canadian Seaway project was a matter apart from the power development, and would be undertaken by the Canadian federal Government.

The St. Lawrence seaway and power project "promises to be a major force in directing our economic development" and its completion "will bring benefits from coast to coast in Canada", said the Minister, adding that "very few projects in our history can make such a claim." In his opinion the most obvious benefits would be the fact that the Seaway "will open a much larger market for ore from Labrador than could otherwise be reached," and would increase the potential sales to "at least 20,000,000 tons a year, just double the present goal, and a growing market thereafter."

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NEW PRICE INDEX: Canada's new consumer price index, which has been constructed to replace the cost-of-living index, was released on October 23 by the Dominion Bureau of Statistics with the issue of a special report entitled "The Consumer Price Index, January 1949-August 1952." The new index marks the fifth in a series of Canadian retail price indexes, and is the most comprehensive retail price index ever constructed for Canada.

While the consumer price index is an entirely new index constructed from postwar expenditure patterns, it serves the same purpose as the cost-of-living index. That is, it measures the average percentage change in retail prices

Apart from export sales involved, Canada is vitally interested in the problem of ore supplies facing steel mills within reach of the Great Lakes, said Mr. Chevrier. Not only did Canada import a large part of her steel and finished iron and steel products from the United States, "but much of our capacity is located on the Great Lakes and hence we share directly in the concern for ore supplies there." He noted that Canada's "need for steel imports has been greatly reduced by increases in our own basic steel production, part of a well-advanced programme to add nearly 30 per cent to capacity."

OTHER MAJOR BENEFITS

In outlining other major benefits, the Minister of Transport said "the four Maritime Provinces will have a new low-cost connection with the resources and markets of the interior, bringing new industrial opportunities to be explored. Even British Columbia may be brought closer economically to the centre of the continent." He observed that transportation economy, estimated at more than \$30,000,000 a year, would include a large saving in the movement of western wheat and flour and that "the industries in the more settled parts of Ontario and Quebec will get not only an ample reserve of power but cheap transportation at their door. They will get their coal deliveries at less cost, whether from the United States, Nova Scotia or even possibly overseas, while markets for many of their products will be more readily reached."

The direct benefits of the completed Seaway will in turn "induce indirect benefits that likewise will spread throughout the economy," declared Mr. Chevrier. Although more difficult to gauge or demonstrate than direct benefits they are "no less important for all that" and their ramifications are endless. He pointed out that prosperity in Central Canada favourably affects the Maritimes and that extra money in the western farmer's pocket is beneficial to British Columbia fruit growers and to the various industries in Ontario and Quebec.

of goods and services bought by a large and representative group of Canadian urban families. The change in title has been made to clarify the fact that the index is a measure of price change and is not affected by changes in standards of living.

The special report on the new index contains an explanation of the construction of the consumer price index and a record of its movements from January, 1949 to August, 1952, and gives detailed information on such aspects of the new index as purpose, family coverage, base period, and details of items included as well as their relative importance.



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WEEK'S EVENTS IN REVIEW

Plow Over Sword: Canada's role in helping to preserve the peace of the world was touched upon by the Prime Minister, Mr. Louis S. St. Laurent, in addressing the International Plowing Match Banquet in Ottawa on October 10. Communism, he said, was bound to flourish so long as there was poverty and degradation in the world.

Mr. St. Laurent said, in part:

"I understand that the traditional aim of the plowman is to 'plow a straight furrow'. The aim of the plowman is also the aim of the peacemaker and the straight furrow of the peacemaker is the pursuit of justice. And in the search for peace and justice the same qualities required for the cultivation of the soil are also needed -- patience, perseverance and singleness of purpose. These are difficult qualities to maintain amid all the irritations and the unpleasantness which seem to be characteristic of many of our international dealings these days.

"But unless we are patient and persevering and steadfast, the ultimate goal of our preparations, the assurance of peace, may be lost.

"It may seem odd to many of us that in our struggle to ensure the primacy of the plow over the sword, we are actively engaged in producing a powerful warlike machine. If, how-

ever, experience is any test, is it not the path of wisdom and a way to peace to show the only possible aggressor in the world that if he starts a war he is not likely to win it? By bringing that fact home to him another large-scale war is apt to be averted.

"Because this seems to be the only sensible policy to follow in present circumstances, we are taking part in the United Nations action in Korea to prevent the spread of aggression into other parts of the world. We have sent a brigade of soldiers to Germany; we are in the process of providing an air division for the defence of Europe; we are doing our share in strengthening our defences on the Atlantic Ocean. And we are building up our home establishments all to discourage aggression, and should the necessity arise to defend our freedom and our way of life.

"All this means sacrifice in human and material terms. The cost, however, is small compared with what would be required of us if a large scale war broke out and that is just what we are going to continue to do our best to prevent.

"When we reach a position, and we are not there yet, where the Communist Imperialist leaders all recognize that it would be folly for them to start a full scale war, what do we do then? These men are not likely to di-

(Continued on P.4)

MINISTER OF AUSTRIA: Dr. Max Loewenthal-Chlumecky on October 9 presented to the Deputy Governor General, the Honourable Thibaudeau Rinfret, his Letter of Credence as Envoy Extraordinary and Minister Plenipotentiary of Austria to Canada. The ceremony took place at the Supreme Court of Canada Building.

Dr. Loewenthal is Austria's first Minister to Canada. The Austrian Legation in Ottawa was opened on August 22, 1952.

Dr. Loewenthal was born in 1908. Following his graduation from university as Doctor of Law in 1931, he practised law for a short time. He entered the diplomatic service in 1932 and was appointed Commercial Attaché at the Austrian Legation in Prague. From 1935 to 1938 he served successively at the Austrian Legation in Paris and in the Austrian Foreign Office. Following the occupation of Austria in 1938, he was placed on the "inactive list" and resumed the private practice of law. In September 1945, he re-entered the Austrian Foreign Service and was delegated by his country to various international conferences.

Dr. Loewenthal became Ambassador of Austria to the United States in February 1952 and is performing the functions of that office concurrently with his post as Minister to Canada. He is married and has one daughter.

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HOME CONSTRUCTION: Starts on the construction of new dwelling units rose in July for the second month in a row, reversing the downward trend of the first five months of the year. Completions were down only moderately in July but were off sharply in the January-June period. As a result of these changes there were nine per cent fewer houses in various stages of construction at the end of July than a year earlier.

Number of dwelling units on which construction was started in July was 8,759 as compared with 6,123 in the same month last year, bringing the cumulative total for the seven months ending July to 44,050, moderately below last year's corresponding total of 44,588. Completions in July totalled 4,715 as compared with 4,926, and the seven-month total was 33,055 as compared with 43,620.

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HMCS QUEBEC CONGRATULATED. On Board HMCS Magnificent in the North Atlantic, October 6 - A daringly executed night attack by HMCS Quebec (cruiser), in the role of an "enemy raider", early Sunday morning was credited with complete success by the umpire of Exercise Emigrant during phase two of the NATO convoy exercise.

The Quebec's hit-and-run assault "disabled" the giant U.S. aircraft carrier, Wasp and one destroyer. She got away before guns of the 16-ship escort force could be brought to bear on her.

The umpire sent a congratulatory message to the Quebec.

NEW SERVICE COLLEGE: Canada's newest service college, the College Militaire Royal de St-Jean, at St. John, Quebec, was created especially to train French-speaking Canadians as officers in the three services. French will be used in lectures and French will also be used on buttons.

Cadets at the two older service colleges -- Royal Military College at Kingston, Ont., and Royal Roads at Esquimalt, B.C. -- already wear distinctive buttons marked "Canadian Services Colleges" in the outer ring of the button and bearing the motto "Truth, Duty, Valour" in an inner ring.

Cadets of College Militaire Royal de St-Jean are to get similar buttons but the English will be translated into French and "Truth, Duty, Valour" will become "Vérité, Devoir, Vaillance."

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ESTABLISHMENTS TOUR: A party of foreign service attachés and Commonwealth service advisers in Canada will begin a seven-day tour of Quebec and the Maritimes, October 14. National Defence Headquarters announced on October 9.

It is expected that about 30 officers from the three services will make the tour by RCAF aircraft to visit service establishments at Quebec, Valcartier, Chatham, N.B., Greenwood, N.S., Cornwallis, N.S., Halifax, Dartmouth, N.S. and Montreal.

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MORE ARMS FOR NATO: More NATO mutual aid equipment will be shipped from Canada this month, the Minister of National Defence, Mr. Brooke Claxton, announced on October 8.

The shipments will include anti-aircraft guns, stores, and ammunition to the Portuguese army and fire control equipment and mortar bombs to the Belgian army. The shipments will start early in October.

Denmark, Italy, Norway and the Netherlands have received arms from Canada during the last few months.

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AMBASSADOR OF GERMANY: Dr. Werner Dankwort, Ambassador of Germany to Canada, and Mr. Hugues Le Gallais, Minister of Luxembourg to Canada, have presented to the Deputy Governor General, the Honourable Thibaudeau Rinfret, their new Letters of Credence addressed to Her Majesty Queen Elizabeth the Second. Dr. Dankwort has been Ambassador of Germany since November 8, 1951, and Mr. Le Gallais was accredited as Minister of Luxembourg on April 24, 1950.

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In Canadian cities of 100,000 and over there are more females than males of all ages from 15 years up.

CANADIAN GOVERNMENT OVERSEAS AWARDS: The Department of External Affairs announced October 13 names of the twenty-one Canadians selected by the Royal Society of Canada to receive Canadian Government Overseas Awards for the year 1952-1953. The Royal Society was requested by the Government to make these appointments

Funds used for these awards consisted of foreign credits that the Government agreed not to withdraw but to use within the countries concerned. On the suggestion of the Royal Society a sum of \$40,000 was provided from these blocked balances to provide Fellowships and Scholarships for Canadians wishing to study within the countries concerned. This year's awards were tenable in France and The Netherlands.

The Fellowships having a value of \$4,000 were provided to give Canadian men and women of proven ability an opportunity to spend a year abroad on an approved programme that would benefit them professionally

The Scholarships having a value of \$2,000 were provided to permit candidates having an M A degree or equivalent to continue their studies and work towards a higher degree in European Universities

Fellowships: Beaudet, Jean Marie, of Montreal, Bice, Clare, London, Ont.; Birney, Earle, Vancouver; Humphrey, Jack Weldon, Saint John, N B; L'Abbé, Maurice, Montreal; McBride, Irene Hepburn, Toronto; Pellan, Alfred, Montreal; Renshaw, Dr. Rose Madéleine, Montreal and Ottawa; Tremblay, Hector Maurice, Quebec;

Scholarships: Brown, Antony, F.R., Montreal; Crépeau, Paul, Ottawa; Davies, Bruce, Hamilton, Ont.; Forsyth, John Campbell, Toronto; Gillespie, Jessie Lynn, Toronto; Gilmore, Paul C., Vancouver, B.C.; Ménard, Jean, Quebec; Moore, Charles H., London; Raynauld, André, Montreal; Saint-Pierre, Miss Louise, Chicoutimi, Que.; Stratford, Philip Coate, Corunna, Ont.; Warhaft, Sidney, Winnipeg, Man.

* * * *

URANIUM AND THORIUM: More than 500 properties containing 0.05 per cent uranium or thorium, the amount considered necessary to be defined officially as a radioactive substance, have been discovered in Canada during the past five years. This and many other features of uranium properties in Canada appear in a report, "Canadian Deposits of Uranium and Thorium", publication of which by the Geological Survey of Canada has been announced by Mines and Technical Surveys Minister, Mr. George Prudham. The report notes, however, that far the greater number of these properties are not likely to become productive as relatively few prove large enough or rich enough to be economically mineable

Fifty per cent of the properties are in Ontario while Saskatchewan, the focal point of uranium interest during the past few years, contains 20 per cent.

PARLIAMENTARY OBSERVERS AT U.N.: The Secretary of State for External Affairs, Mr. Pearson, on October 10 announced the names of the Parliamentary Observers who will attend the Seventh Session of the General Assembly of the United Nations which opened in New York on October 14. They are, Mr. J.A. Byrne, M.P. (Kootenay E.) and Mr. Lionel Bertrand, M.P. (Terrebonne), members of the Liberal Party, and Mr. Gordon Graydon, M.P. (Peel), member of the Progressive Conservative Party. Later in the Assembly, Mr. Graydon will be succeeded by another Progressive Conservative Member of Parliament.

Mr. Alistair Stewart, M.P. (Winnipeg N.) for the C.C.F. Party and Dr. H.H.W. Beyerstein, M.P. (Camrose) for the Social Credit Party will attend the General Assembly for about half the session and will join the Delegation at New York about the middle of November

The tradition is now well established of appointing Parliamentary Observers to Canadian Delegations to sessions of the General Assembly. These Members of Parliament attend meetings of the General Assembly, keep in touch with the activities of the Canadian Delegation and report in due course and as the occasion requires to their respective parties and to Parliament

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NAVAL RESEARCH LABORATORY: A new, permanent link in the chain of Defence Research Board establishments across Canada will be forged October 16 when the Minister of National Defence, Mr. Brooke Claxton, officially opens a new laboratory building to house the Naval Research Establishment at Dartmouth, N.S.

With Mr. Claxton will be Dr. O.M. Solandt, Chairman of the Defence Research Board, other Board members and a distinguished group of Canadian, British and U.S. scientists.

A series of displays will be set up to demonstrate some of the establishment's activities and the scientific principles guiding the work of the staff.

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NEWFOUNDLAND FISHERIES HEAD: Mr. Louis S. Bradbury, 39, Director of Newfoundland Fisheries for the federal Department of Fisheries at Ottawa has been appointed Chairman of the Newfoundland Fisheries Board and Chief Supervisor of Fisheries for that Province, the Minister of Fisheries, Mr. R.W. Mayhew, has announced.

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WOODPULP AND NEWSPRINT: Order-in-Council P.C. 4212, dated October 9, removes woodpulp and newsprint from the list of materials declared essential under the Defence Production Act by the Minister of Defence Production, Mr. C.D. Howe.

(Continued from P. 1)

PLOW OVER SWORD

vulge their thoughts to us but the best informed advice we can get indicates, if nothing else, that those who make policy behind the Iron Curtain at least know strength when they see it

"We hope that those who have been making life miserable for free men and women will then think it is time to do some serious negotiating about the issues which divide us and might then reveal honest intentions of minding their own business. Until we can count on that, we will have to maintain and keep in good working order that strength we are now building up.

"The plow will still not have triumphed over the sword. Many problems will still be there and they will still be very complicated and they will still have a significant bearing on the possibilities of permanent peace in the world.

LIVING STANDARDS

"In point of fact, we are trying to deal with some of them concurrently as we strengthen our defences. And when we reach the stage of having to maintain our defences at a certain level rather than be going through the agonizing process of a sudden great build-up, we should have more resources available than we have now to help solve these difficult problems.

"The principal one of these is of course the raising of the living standards of those who live in the depressed areas of the world and to instil in their hearts and minds hope for a happier and more decent future. Communism is bound to prosper so long as there is poverty and degradation in the world and if we want a peace that will last, we will have to do our part to deal with the causes of Communism's strength.

"By means of the various agencies of the United Nations, Point Four, and the Colombo Plan, we of the western world have already made a start towards helping the plowmen of underdeveloped areas to increase the productivity of their fields. By the introduction of new techniques and machinery which we have found to be effective we can hope eventually to see the living standard of millions of our fellow-humans substantially raised. That will place Communism on the defensive because its hope of making new gains lies in the continued depression of those large areas which need to be helped. It is significant that no Communist nations contribute to any of the welfare and rehabilitation agencies of the United Nations, realizing as they do that any improvement in living standards in these areas would decrease their own chances of further expansion.

"He who cultivates the mind, and we all have an obligation to have some thoughts and ideas about our country and our form of life, also has his part to play. Too often in the

past many people who adopted communist beliefs have done so because of a sense of frustration and because they were not able to fulfil their legitimate aspirations in a democratic society. We must show the world and particularly those unfortunate souls that our kind of a society, although not perfect, at least offers men and women the best opportunity to develop their own personalities to the full. We must also show the world that honest beliefs, different from our own, can be tolerated and that we are really concerned about the welfare of our neighbours... "

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ENLISTMENT OF "APPRENTICE-SOLDIERS": Plans for the enrolment and training of a limited number of apprentice-soldiers in the Canadian Army -- youths who have reached the age of 16 years -- will go into effect on January 2, 1953, it was announced on October 14 by the Minister of National Defence, Mr. Brooke Claxton. At that time applicants who have passed certain aptitude tests will be accepted for specialized training in army trades at corps schools in different parts of Canada.

This is not an innovation for the Canadian Army. Prior to the last war youths of 14 and up were enlisted and trained as "boy soldiers," a practice which is still carried out in both the British and Australian armies. "Boy service" prior to the last war proved to be one of the Army's best sources of NCOs and tradesmen.

There is a fundamental difference between the old and the new system, however, in that when a boy enlisted in the Army before the war he received his training in units of his corps. Under the present plan the boys will be trained at the various corps schools of the Canadian Army, and it will be possible thus to bring them to a higher level of trades training.

About 200 youths will be chosen for the first courses which will commence mid-January. They will sign on for a period of seven years but at the end of five years will have the opportunity of taking their release. On enrolment a soldier apprentice will draw half the pay of a private recruit and on reaching the age of 17 will draw normal rates of pay. When qualified he will also draw trades pay. Courses will average about two years in length.

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4,275 WORKERS FOR U.S.: A total of 4,275 Canadian workers had been cleared across the United States border for potato picking in the State of Maine in one of the largest international movements of farm labour since World War II, it was announced on October 14 by the Minister of Labour, Mr. M.F. Gregg. These workers had been recruited by the National Employment Service from areas where they could be spared in New Brunswick and Quebec.

LABOUR INCOME AT NEW PEAK: Canadian labour income continued to rise in July, reaching an all-time high record total of \$905,000,000, according to estimates by the Dominion Bureau of Statistics. This was the first time that monthly totals of labour income exceeded \$900,000,000. This year's July total was \$13,000,000 above that for June and \$78,000,000 above July last year.

With substantial gains in each month so far this year as compared with 1951, the cumulative total for the first seven months of the year climbed to a new peak for the period of \$6,058,000,000 as compared with \$5,411,000,000 a year ago.

Labour income in manufacturing in July aggregated \$297,000,000 as compared with \$276,000,000 in the corresponding month last year, bringing the total for the January-July period to \$2,040,000,000 as against \$1,853,000,000. July total for utilities, transportation, communications, storage and trade advanced to \$229,000,000 as compared with \$209,000,000, and to \$1,534,000,000 in the seven months from \$1,381,000,000.

In finance and services, including government, the July total rose to \$197,000,000 as compared with \$178,000,000 and to \$1,329,000,000 in the seven-month period from \$1,157,000,000. Labour income in construction in the month increased to \$87,000,000 from \$68,000,000, and to \$483,000,000 in the seven months from \$383,000,000.

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AMBASSADOR TO JAPAN: The Prime Minister, Mr. St. Laurent, announced on October 15 the appointment of the Hon. R.W. Mayhew, P.C., Minister of Fisheries, as Canadian Ambassador to Japan. Mr. Mayhew's formal appointment will take effect as from November 15 next.

Mr. Mayhew had been planning to retire from public life and it was only at the urgent insistence of the Government that he has agreed to continue his public service as the first Canadian Ambassador to Japan.

The Government felt that the relations of Canada with Japan were of exceptional importance at this time when that country is the base from which our forces are operating in Korea and when the development of satisfactory commercial relations between our two countries is so important.

Mr. Mayhew took part in the conference which settled the peace treaty with Japan, he has made two official visits to Japan and has, through his association with the development of the Colombo Plan, developed a wide knowledge of Asia and Asian affairs. In addition, Mr. Mayhew's long association with British Columbia and, above all, his direct and intimate knowledge of government generally give him unique qualifications for this very important post.

In order to make preparations to take up his new duties, Mr. Mayhew has submitted his

resignation as Minister of Fisheries effective immediately.

"British Columbia is now the third province in terms of population. It has been growing more rapidly than any other province and it is the most distant of all the provinces from the national capital," the Prime Minister said.

"All these circumstances combine to justify a larger representation in the Cabinet than that Province has had up to now and I am happy to announce that His Excellency the Governor-General has been pleased to approve the appointment October 15 of Mr. James Sinclair, M.P. for Coast-Capilano and Parliamentary Assistant to the Minister of Finance, as a Privy Councillor and as Minister of Fisheries and of Mr. Ralph Campney, M.P. for Vancouver Centre and Parliamentary Assistant to the Minister of National Defence, as a Privy Councillor and Solicitor General of Canada."

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SHIPS FOR CEYLON: 'Sterling' Shipyards, Limited, of Vancouver, have been awarded a contract for two West Coast type fishing vessels, which are being made available to Ceylon under provisions of the Colombo Plan for the Economic Development of South and South-East Asia. These craft will be employed on an experimental basis for a year, fishing in the coastal waters of the continental shelf to determine fish population potentials and the most efficient method of harvesting the tropical seas surrounding the Island. Ceylonese fishermen will be trained to continue this mechanized form of fishing.

The two vessels will be 44 feet in length and completely equipped. It is expected that they will be ready for shipment to Colombo in the latter part of December. The hull is to be of hardwood, with copper sheathing below the water line and copper fastenings for the hull planking. Each will be powered with an 80 h.p. diesel engine. Equipment will include a recording fathometer, radio, a heavy duty long line winch, a trawling winch and cable, a seine winch, extra water tanks, fans for the crew's quarters and engine room, cabin top controls, shipping cradles and reinforcing dunnage and a seine skiff.

Under provisions of the Colombo Plan, Canada is also obtaining a 145-foot steel deep sea trawler in the United Kingdom, with which to increase substantially the supply of protein food to the people of Ceylon, and is providing a fish refrigeration plant of Canadian design and manufacture, miscellaneous equipment and further technical assistance.

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Total receipts of Canadian motion picture exhibitors, exclusive of taxes, rose by 11 per cent in 1951 to \$96,319,583 from \$86,713,357 in 1950.

DELEGATION TO UNESCO: The Secretary of State for External Affairs, Mr. L.B. Pearson, announced on October 18 the composition of the Canadian Delegation to the Seventh Session of the General Conference of the United Nations Educational, Scientific and Cultural Organization, (UNESCO), which is to be held in Paris from November 12 to December 10. The Delegation is as follows:

Chairman: Dr. Victor Doré, Minister of Switzerland and Austria; Vice-Chairman, Mr. E.H. Norman, Department of External Affairs; Delegate (Natural Sciences) Dr. Garnet E. Page, General Manager, Chemical Institute of Canada; Delegate (Legal) Mr. Paul Gérin-Lajoie, Lawyer; Delegate (Parliamentary) Mr. T.A.M. Kirk, M.P.; Alternate (Educational) Miss M.R. Conway, President of the Canadian Teachers Federation.

Advisers for the Delegation will be drawn from the Department of External Affairs.

888,100,000 BUSHELS OF WHEAT: Potential supplies of Canadian wheat for the 1952-53 crop year amount to 888,100,000 bushels, comprised of carryover stocks of 213,100,000 bushels and the new crop, estimated on the basis of conditions at August 31, at a record 675,100,000 bushels. Supplies of this magnitude would be 146,200,000 bushels greater than in 1951-52 and would be second only to the record total of 980,400,000 bushels in 1942-43. In that year, however, carryover stocks alone totalled 423,800,000 bushels, larger than an average Canadian wheat crop.

Assuming realization of the current estimate of production and estimated domestic requirements of 160,000,000 bushels, supplies available for export and carryover during the current crop year will amount to 728,100,000 bushels as against 569,400,000 in 1951-52.

EXPORTS OF WHEAT: Exports of wheat as grain in August -- opening month of the new crop year -- amounted to 28,600,000 bushels, down from the July total of 38,300,000 bushels, but up sharply from last year's August total of 19,200,000 bushels. In addition, the equivalent of another 3,364,000 bushels was exported in the form of wheat flour, as compared with 5,374,000 in July, and 2,581,000 in August last year.

CANADA-U.K.-U.S. TALKS: Senior army officers of Canada and the United Kingdom are to arrive in Washington October 19 for a week of discussions with ranking U.S. Army officers.

Lt.-Gen. G.G. Simonds, CB, CBE, DSO, CD, Chief of the General Staff of the Canadian Army; Lt.-Gen. Sir John F. Whitely, KCB, CBE, MC, Deputy Chief of the Imperial General Staff of the British Army, and Maj.-Gen. G.P. Walsh, CB, CBE, DSO, Controller of Supplies, Ministry

RECORD WORLD BREADGRAIN CROP: World bread-grain production in 1952-53 is forecast at a new high record of about 258,000,000 short tons, 10,000,000 above the previous peak of 248,000,000 tons in 1938-39. The favourable outlook is due to a record wheat crop, with present information pointing to a below-average world rye harvest.

The wheat outturn appears above average in all Northern Hemisphere Continents, but the sharpest increase is for North America. Current estimates place the harvest in this continent at an all-time record level; Canada's harvest is forecast at a figure somewhat above the previous record, and United States production is the second largest on record.

ANTI-TANK DEFENCE: Army Headquarters announced on October 8 that the responsibility for anti-tank defence within the Canadian Army has been transferred from the Royal Canadian Artillery to the Royal Canadian Armoured Corps.

This will mean that Canadian Infantry and Armoured Divisions, if formed, will include an armoured regiment for anti-tank defence in lieu of the anti-tank artillery regiment of the past.

WHEAT STOCKS: Visible supplies of Canadian wheat in store or in transit in North America during the week ending October 2 totalled 224,818,000 bushels as compared with 159,755,000 on the corresponding date last year. Farmers' marketings of wheat amounted to 25,014,000 bushels against 7,533,000 a year ago, bringing the aggregate for the crop year to date to 102,397,000 bushels against 51,543,000 in the similar period of 1951-52.

NEW DRUGS AVAILABLE: The two newest drugs to be used against tuberculosis, isoniazid and iproniazid, may now be purchased in Canada on prescription from a doctor, the federal Health Minister, Mr. Paul Martin, has announced.

COMMANDER OF 27TH: Brig. J.E.C. Pangman, DSO, ED, will take over his duties as Commander of Canada's 27th Infantry Brigade in Northwest Europe on December 5, it has been announced at Army Headquarters.

of Supply, United Kingdom, will meet with Gen. J. Lawton Collins, U.S. Army Chief of Staff; Gen. John E. Hull, Vice Chief of Staff; Lt.-Gen. Maxwell D. Taylor, Deputy Chief of Staff for Operations and Administration; and Lt.-Gen. Lyman L. Lemnitzer, Deputy Chief of Staff for Plans and Research.

Purpose of the visit is to discuss increased cooperation between the three countries.

CANADIAN WEEKLY BULLETIN



INFORMATION DIVISION
 DEPARTMENT OF EXTERNAL AFFAIRS
 OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

CANADIAN VIEW ON DISARMAMENT: Canada's view on the disarmament problem was expressed by Mr. David M. Johnson, Canadian Permanent Representative to the United Nations, in the Disarmament Commission on October 1, in the following statement:

"Before the Commission takes up the examination of its report to the General Assembly, I should like to make a statement of my Delegation's position on the tripartite proposals for the limitation of armed forces. When these proposals were presented to the Commission and later on when a supplementary working paper was tabled by the Three Powers, I hesitated to offer preliminary general comments, preferring on a matter of such importance, to wait until I could make a fairly concrete contribution by stating in more definite terms the position of my Government. Although I have been ready for the past month to make such a statement, the Commission has not met because of the rapid succession of Security Council meetings on new members earlier this month. During the past two weeks I have been reluctant to ask for a special meeting of the Commission to be called to hear a brief statement of our views, unless there were at the same time other delegations who wished to make further comments on one or another of the working papers before us.

"Had I been making this statement a month ago, I might perhaps have spoken at somewhat greater length on the accomplishments or lack of accomplishments of this Commission during the present year. However, I have no wish to re-open a general discussion at this stage in our proceedings. We shall have sufficient opportunity to speak in more general terms during the Assembly's debate on the Disarmament Commission's report. It is clearly essential that the Commission should proceed without further delay to complete its report as it is already doubtful whether our report could now be produced in time for the opening of the General Assembly.

"With these considerations in mind, therefore, Mr. Chairman, I should like to say quite simply what in brief, are the considered views of the Canadian Government on the tripartite proposals for the limitation and reduction of armed forces. These views, I should add, have not been reached by my Government without a very careful stock-taking in the light of national and international responsibilities. I can only wish that all members of the Commission might have found it possible, not necessarily to have accepted the tripartite proposals, but at least to have shown a readiness

(Continued on P. 6)

UNDERWATER TELEVISION: The Minister of Resources and Development, Mr. Robert H Winters, announced on October 2 that tests to determine the usefulness of television equipment for underwater fisheries investigations are now being carried on for the first time in North America by limnologists of the Canadian Wildlife Service. This electronic device is being used in Banff National Park to investigate some of the biological features of Lake Minnewanka.

Underwater television in Canada has been realized through the construction genius of Mr. W.T. Torrington of the National Research Council of Canada. Completed recently, this equipment represents three years of intensive research at the Radio and Electronics Laboratories near Ottawa. Canada is one of the few countries in the world to possess such a working unit that can "see" in depths of water without the risk attendant on using divers.

The new apparatus consists of an underwater television camera mounted in a large steel cylinder leading by means of an electrical cable, to the viewing apparatus, or "scope" situated in a boat on the surface. A 30-foot converted R.C.A.F. patrol boat, displacing about seven and one-half tons, is used for this work. Fully manoeuvrable, the large steel cylinder can move forward, backward, swing left or right and tilt up or down. It is supplied with a bank of four spot-lights for illuminating the area in front of the camera and is practically weightless when it is in the water.

The camera is fitted with various lenses so that a wide field can be observed or a "close-up" view of a smaller part of the lake bottom can be more closely studied. The movements, viewing and lighting of the camera are all controlled by the operator who sits comfortably in the boat on the lake surface and is able to see the bottom of the lake as if he were actually standing on it.

* * * *

PAYROLLS AT PEAK: The index numbers of employment and payrolls in Canada's principal industries continued to climb in July to reach new peaks at August 1, according to preliminary figures released on October 2 by the Dominion Bureau of Statistics

The advance index number of employment was set at 188.1 at August 1, 1.4 per cent higher than the July 1 figure of 185.5 and 2.1 per cent above the figure of 184.3 for August 1, 1951. The increase resulted in part from the settlement of important labour-management disputes in lumber manufacturing on the West Coast and from unusually marked expansion in road construction and maintenance work in Quebec.

The advance index number of payrolls stood at 431.5 at the beginning of August, up from 426.3 at July 1 and 9.5 per cent above the figure of 394.0 for August 1, 1951. Greater

expenditures as compared with a year earlier were reported in all provinces, and as compared with July 1, in all provinces except New Brunswick and Ontario.

Weekly wages and salaries averaged \$53.87 as against \$53.96 at July 1 and \$50.16 at August 1, 1951.

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GOVERNMENT PUBLICATIONS: The following is a selected list of Canadian Government publications received in the Library of the Department of External Affairs in September:

Atomic Energy Control Board of Canada: Sixth annual report 1951-52. Eng. -Pp. 12.

Department of Agriculture (Economic Division) Federal Agricultural Assistance Programmes, Canada, 1900-1951, by Marjorie R. Cameron and Frank Shefrin, Pp. 118.

Department of National Revenue: Report of the Department of National Revenue containing statements relative to customs-excise revenue and other services by ports and out-ports, excise and income of Canada for the fiscal year ended March 31, 1951. Pp. 43. Price 25¢.

Department of Resources and Development (Forestry Branch): Wood is Wealth. Canada's forest economy 1938 to 1949. Pp. 52. Map: (Bulletin 105); forest and forest products statistics. Q.P., 1952. Pp. 65. (Bulletin 106)

Department of Resources and Development (National Museum of Canada:) Annual Report of National Museum of Canada for the fiscal year 1950-51 Pp. 227 Price \$1.00.

Dominion Bureau of Statistics: General Review of the Manufacturing Industries of Canada 1949 Ottawa. Pp 143 Price \$1.50.

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NAVAL OBSERVERS FOR NATO: The Royal Canadian Navy this month will assume a share of the training of aviators from North Atlantic Treaty nations now being carried out in Canada.

On October 6, ten midshipmen of the Royal Navy will begin training as naval air observers in the Observer School at HMCS Shearwater, the RCN Air Station near Dartmouth, N.S. Their course will last approximately nine months.

A second course, in which trainees of both the Royal Navy and Royal Canadian Navy will be enrolled, will commence next February. The ultimate intention is to train from 30 to 40 naval air observers a year.

* * * *

Canadian manufacturers produce about \$1,000,000 worth of shoe polishes and dressings each year

* * * *

There are nine bicycle factories in Canada, five of which are in Ontario and four in Quebec

MINERAL HUNTING BY HELICOPTER: Thousands of square miles of Archaean greenstone--a favourite rock formation with prospectors--were mapped by federal Government geologists in Northwest Territories during the past summer, the Minister of Mines and Technical Surveys, Mr. George Prudham, announced on October 3. The presence of this type of rock with which mineral deposits in the Precambrian Shield are largely associated and from which a very considerable part of the mineral production of Canada is derived, came to light during aerial geological reconnaissance work by the Geological Survey of Canada of the large area of the Territories lying just west of Hudson Bay between the 60th and 63rd parallels and extending west to approximately 102° W. longitude.

"Of the 57,000 square miles mapped by the airborne party, certainly large areas are very good prospecting ground", Mr. Prudham said. "The survey was undertaken because we already knew that the area contained deposits of gold, nickel and copper. What else will be found remains to be seen but there is every probability that this area will some day be the scene of much mining activity."

Mr. Prudham went on to say that the discovery of the greenstone was but one valuable result of an experiment conducted by the Geological Survey during the past field season--the streamlining of geological reconnaissance methods in Canada's northland through the use of the helicopter to carry on geological mapping by air.

"If the mineral potentialities of our vast northland are to be assessed within the foreseeable future, a technique much speedier than the conventional canoe and ground method has to be adopted", said Mr. Prudham. "Aerial geological mapping through the use of the helicopter during the past field season has proved so successful that five geologists using two helicopters actually accomplished at approximately the same cost what a ground party would have taken 25 years to do. The survey, the results of which will be published on a scale of eight miles to the inch, permits the selection of those areas warranting more detailed study and mapping".

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C-O-L INDEX AGAIN DOWN: The Dominion Bureau of Statistics cost-of-living index, registering its second consecutive monthly decline, moved down 1.1 points or 0.6 per cent to 186.5 for September 2, as against 187.6 for August 1. The decrease was due almost entirely to lower foods, although clothing and home-furnishings prices were down slightly.

* * * *

There were 9,172,700 cattle on Canadian farms on June 1, ten per cent more than on the same date last year.

FUTURE OF CANADIAN OIL: In officially opening the Canadian Oil Companies' Refinery at Sarnia on September 25, the Minister of Commerce, Mr. C.D. Howe, commented:

"We all know that the finding of a Canadian source of oil has had a profound effect in reducing imports of petroleum products from other countries. One of the reasons why the Canadian dollar is now the strongest currency in the world, is the reduction in the former drain on our supply of U.S. dollars required to pay for imported crude oil. I look forward to the day, not many years distant, when oil from Canada will on balance supply, not one-third of our requirements, as at present, but the whole of our requirements. This will not be an easy task, and I am not minimizing the obstacles that lie ahead. But I am sure that we all have reason to be encouraged by the progress that has been made. This refinery is another step towards making Canada self-contained in oil."

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"MAGNIFICENT" IN NATO EXERCISE Two Canadian warships and more than two dozen RCAF aircraft are taking part in a ten-day trans-Atlantic NATO exercise with ships and aircraft of the United States, it was announced on October 2 by National Defence Headquarters. Also taking part in the exercise, held under the direction of the Supreme Allied Commander Atlantic, will be Shackleton aircraft of the RAF's 269 Squadron, which will operate off Canadian territory.

Canadian ships taking part are the Magnificent and Quebec. The two Canadian ships sailed from Scotland October 1 and, together with US Navy units returning to their home ports from Exercise Mainbrace, the large-scale NATO manoeuvres held recently in northern European waters, are carrying out Exercise Emigrant.

The exercise is taking the form of protection of a convey under threat of attack by submarines and surface raiders. Flying from the Magnificent are Avenger anti-submarine aircraft and Sea Fury fighters of the 31st Carrier Air Group.

* * * *

ST. LAWRENCE DEVELOPMENT: Rebuilding the communities bordering the St. Lawrence River which will be affected in the development of the St. Lawrence power and navigation project "is a great challenge to planning on an unprecedented scale," the Minister of Transport, Mr. Lionel Chevrier, told the Canadian Association of Real Estate Boards in Toronto on October 6. He expressed the hope that rebuilt communities which may be expected to take the place of submerged sections would take advantage "of the magnificent opportunities for parks and landscaping to enhance the scenic beauty of the new shore, and the opportunities for recreational facilities to enthrall residents and tourists alike."

IMMIGRATION: Immigration to Canada for the eight months ended August 31, 1952, totalled 126,029 as compared with 116,657 in the same period of 1951. The following tables of

monthly comparisons by nationalities, have been prepared by the Department of Citizenship and Immigration:

	1951				
	British	From U.S.A.	Northern European	Others	Totals
January	878	541	1,077	3,141	5,637
February	1,259	484	2,909	3,767	8,419
March	2,123	542	4,317	4,876	11,858
April	2,559	616	4,707	6,306	14,188
May	3,780	743	7,667	8,064	20,254
June	3,531	762	6,750	8,386	19,429
July	3,532	791	7,380	7,933	19,636
August	2,260	756	6,276	7,944	17,236
Totals	19,922	5,235	41,083	50,417	116,657
			1952		
January	2,582	565	4,015	5,969	13,131
February	2,412	485	3,803	4,269	10,969
March	3,896	555	6,857	7,335	18,643
April	5,048	654	7,807	5,988	19,497
May	4,727	747	8,820	5,554	19,848
June	4,338	925	7,176	3,532	15,969
July	4,794	985	6,953	3,955	16,687
August	2,342	1,040	5,159	2,744	11,285
Totals	30,137	5,956	50,590	39,346	126,029

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LABRADOR EXERCISE: RCAF Maritime squadron Lancasters will participate in Operation Noramex II, second of the joint Canadian-US cold-weather amphibious-assault exercises, which will take place on the Labrador coast this month, it was announced on October 1 by Air Force Headquarters and by U.S. Atlantic Fleet Headquarters. Approximately 10 of the RCAF's four-engine Lancasters will support a 34-ship U.S. amphibious task group landing to continue tests and evaluation of cold-weather landing operations.

The U.S. task group is to land on Labrador to retake a radar-radio and weather station established by invading "enemy" forces. After completing this task, ships and assault troops will return to Norfolk in November. The exercise will subject the amphibious force to "enemy" submarine attacks en route, as well as simulated opposition by "invader" ground forces on Labrador.

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CHEQUES \$9,564,943,000: Value of cheques cashed in clearing centres advanced five per cent in August, totalling \$9,564,943,000 as compared with \$9,071,528,000 in the same month last year. This raised the cumulative value for the first eight months of 1952 to \$80,184,333,000 -- a new peak for the period -- from \$71,919,506,000 a year earlier, or by 11.5 per cent.

USE OF ELECTRICITY LEAPS. Electric energy generated by Canadian central electric stations advanced 71 per cent in the period from 1939 to 1950, while revenues climbed 113 per cent, according to the annual report on the central electric station industry by the Dominion Bureau of Statistics. The number of domestic customers served also rose appreciably in all classes, including farm service, with a gain of 72 per cent. Average consumption of domestic customers increased almost 70 per cent in the 11-year span.

Revenues rose during the period from \$151,881,000 in 1939 to \$323,833,000 in 1950, while electric energy generated advanced from 28,338,000 kilowatt hours to 48,494,000,000. The number of customers served, including farm service, rose by 1,173,706 to 2,797,378. Revenues by all distributors from domestic service brought \$109,015,000 for 1950 compared with \$90,303,000 in the preceding year.

* * * * *

Canada produced 64,507,733 pounds of macaroni, spaghetti, vermicelli, noodles and kindred products in 1950 as against 59,645,216 pounds in 1949.

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There were 2,273,530 single detached houses occupied in Canada at the time of the 1951 Census.

SAYS SEAWAY ESSENTIAL: Perhaps the most important change which has happened north of the 49th Parallel since the Canadian provinces federated in 1867 is the fact that "when Canada comes to a decision today, it is not prepared to be hamstrung by what it regards as unreasonable delays," said Mr. Wm. M. Benidickson, M.P., Parliamentary Assistant to the Minister of Transport in addressing the Ottawa branch of the American Institute of Electrical Engineers on October 7

Mr. Benidickson was discussing the St Lawrence Seaway project and said the fact "that Canada is now seizing the issue by the forelock is a clear clue to the changed status of Canada in the western hemisphere, a result of its rapid economic growth, and to the sharp change in the outlook of the Canadian people."

Mr. Benidickson took the view that over the years Canada "was digging the big ditch piecemeal, hoping that the United States would ultimately lend a hand in breaking the last bottleneck, through the 48 miles where the St Lawrence is an international river." He said further than "in actual fact, the present project is the final link in an almost completed chain," and that the "essential fact is that excepting 115 miles of river between Montreal and Prescott (in only 48 miles of which the U.S. has a vested interest as a boundary waters partner) the deep water works have been finished and are in operation"

SHIP CHANNEL

Enlarging on this theme, Mr. Benidickson pointed out that below Montreal was the 35-foot St Lawrence Ship Channel to deep water and that above Prescott, through the Thousand Islands and the entire chain of Great Lakes there was a channel depth of at least 25 feet downbound and 21 feet upbound. "Thus these two great sections, each approximately 1,000 miles in length, already are in operation," he said.

Reviewing Canada's growth following World War II with its increase in population and multiplication of the value of the country's production, Mr. Benidickson said the deep waterway suddenly "became the basic essential of growth. Without it frontiers more than 1,000 miles removed from the lakes or the St Lawrence, but of which the water highway is a vital communications link, could not be cracked open."

Mr. Benidickson took the view that the power development in the International Rapids section "could be undertaken as a normal business investment" by Ontario and its U.S. counterpart and that the investment in the Seaway could be amortized over a period of 50 years. "The fullest possible development of that God-given natural 2,200 mile cheap communication system is vital to our continued national growth," he said.

INDUSTRIAL PRODUCTION: Canada's industrial production index for July was 210.8, up 2.8 points from last year's corresponding figure of 208.0, according to the September issue of the Canadian Statistical Review issued Oct. 7 by the Dominion Bureau of Statistics. This was the first advance so far this year as compared with a year earlier.

The total index for the first seven months of this year averaged about 1.6 per cent under that for the corresponding 1951 period. The decline in the first quarter was 2.8 per cent, that in the other four months only 0.7 per cent. The manufacturing component of the industrial production index was four per cent lower in the first half of 1952 than in the same period last year, and was largely responsible for the lower total index.

Within the manufacturing component the combined aggregate of selected defence-supporting industries has been over 12 per cent higher on an average through the first six months of 1952 than in the same period last year. These increases, however, were not sufficient to offset declines in the non-defence sector.

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SEA HARVESTS: Landings of sea-fish in Canada - not including Newfoundland - were nine per cent higher in August, amounting to 168,844,000 pounds as compared with 155,233,000 in the same month last year. The landed value, however, was 19.5 per cent lower at \$9,813,000 as against \$12,197,000. Cumulative landings for the first eight months of this year increased 12 per cent to 920,827,000 pounds from 821,610,000 a year earlier, and the catch value was up slightly to \$50,114,000 from \$49,906,000

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INTERNATIONAL AIR SERVICE: Authority has been given by Air Transport Board for two Alaskan aviation companies to operate international non-scheduled charter commercial air service from their home bases to points in the Province of British Columbia and the Yukon Territory. The two Alaskan companies authorized to operate to points in Canada are Alaska Coastal Airlines of Juneau, and Ellis Air Lines of Ketchikan.

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"ATHABASKAN" TO WAR THEATRE: HMCS Athabaskan, possessing one of the longest records of Korean service of any United Nations warship, will sail from Esquimalt, B.C., October 29 for her third tour of duty in the war theatre

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Close to \$1,000,000 worth of lipstick is made in Canada annually.

(Continued from P. 1)

CANADIAN VIEW ON DISARMAMENT

to consider and discuss them seriously. I confess that, in view of Mr. Malik's repeated appeals during May for other members of the Commission to submit concrete proposals for the reduction of armaments to which he said his Government was prepared to give 'most detailed and careful consideration', it was disappointing that his rejection of the tripartite proposals came so easily and almost automatically.

"One of the fundamental principles which my Delegation has from the first believed should govern our approach to this whole problem of disarmament was expressed by Mr. Pearson in the First Committee of the General Assembly in Paris last November 21. He said that there should, he thought, be 'a balance of risks and safeguards' on both sides at all times. Surely what we are trying to negotiate in this Commission is a comprehensive agreement in which the numerical limitations placed on the armed forces of all militarily important states would be an essential element. As we understand it, that is the intention of the tripartite proposals. The Canadian Government agrees with that intention.

"The Canadian Government considers it necessary and desirable in such limitations to make a distinction between the armed forces of the five major military Powers and those of all other states. So far as the tripartite proposals would directly affect Canada, I am authorized to say that Canada would be prepared to accept, as part of a general disarmament plan, the ceiling which the tripartite proposals would impose on Canadian armed forces, i.e. either less than 1% of population or less than current levels.

NUMERICAL LIMITATION

"As I have said, the numerical limitation of armed forces is, in our opinion, but one aspect of the disarmament question. The Three Powers have said time and again, in the most categorical terms, that their plan for the numerical limitation of armed forces is 'only one element in what they hope will develop into a comprehensive disarmament programme - a programme to be worked out in accordance with a rational, step-by-step procedure which they have outlined in greater detail in their recent supplementary paper presented on August 15.

"I should not have thought there was much basis in logic for refusing to discuss a part because it was not the whole. The tripartite proposals are as yet incomplete. They do not yet cover the whole field in detail. But they have gone a great deal further in getting down

to brass tacks than have the proposals of any other delegation.

"We think that the tripartite proposals in this field have made a real contribution to the work of the Commission - a contribution which has not been sufficiently recognized. It is a big thing for one of the two most powerful nations in the world to offer to cut its armed forces in half if the other does likewise, as part of a general scheme of disarmament that would include the prohibition of all weapons of mass destruction. We can only hope that those who do not wish to take the tripartite proposals as a basis of discussion will in due course provide the Commission with equally specific alternative proposals. Then perhaps we may begin the work of serious negotiation which I am sorry to say has so far not been apparent in the work of this Commission. For it takes two to make an agreement, as well as a quarrel, and both must be willing to some extent to use a common language."

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AUTO SALES RISE 24 P.C.: The upward trend in sales of new motor vehicles which began in May this year continued during August but to a less pronounced degree, according to the Dominion Bureau of Statistics. There were 26,823 new vehicles sold during the month for a retail value of \$66,208,586, an increase of 24 per cent in number and 20 per cent in value over August, 1951. Sales of new passenger cars rose 26 per cent in number to 18,275 from 14,477, and 20 per cent in value to \$44,074,715 from \$36,659,335.

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STORE SALES UP 13 P.C.: Department stores sales rose 13 per cent in value in August over the same month last year, while inventories held at the beginning of July were down 16 per cent in value from a year earlier. Sales in the month totalled \$69,625,000 as compared with \$61,522,000 in August, 1951, and the value of inventories was \$186,052,000 against \$221,657,000.

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FARM PRICES DOWN: Farm prices of agricultural products declined in August from the preceding month, and were also below August, 1951. This year's August index, on the base 1935-39=100, was estimated at 259.7 as compared with the revised figure of 264.0 in July, and 295.1 in the same month last year.

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A total of 118,970 acres of tobacco were harvested in Canada in 1951.

CANADIAN WEEKLY BULLETIN



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 DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

MR. HOWE ON TRADE POLICY: The Government of Canada believes that trading is a two-way street and that Canada cannot sell goods abroad unless it is prepared to buy goods from other countries, the Minister of Trade and Commerce, Mr. C.D. Howe, said in an outline of trade policy before The Canadian Importers and Traders Association, in Toronto, on September 30.

"Since the end of the war," he said, "the United States has led the way among the nations in reducing barriers to trade. But too many barriers still remain. The job is only half done. Let us hope that whoever wins the coming election in the United States will carry on the good work. Whoever does win will find the Government at Ottawa ready to play its part in any genuine effort to bring about freer trade among nations."

Discussing the proposal, which he said was made in some quarters, that "Canada should keep her raw materials at home and process them before allowing them to be exported," he said that if this proposal meant that Canadians should be encouraged to set up processing plants in Canada he was all for it - the Government had been doing that very thing. If it meant that we should try to obtain better foreign markets for our manufacturers he also found himself in agreement.

"However," he added, "if the proposal means that we should deliberately withhold our raw materials and that we should erect new barriers to trade, I do not agree. That is simply the old policy of high protection in a new dress, and, if adopted, would lead just as surely to disaster. What would we in Canada think if the governments of those countries that produce bauxite were to decide to keep their product at home and refuse to ship it to Canada to be processed into aluminum in Quebec and British Columbia?"

"Although Canada is exporting more and importing more than ever before, the Canadian Government is by no means satisfied with the present situation. We would like to see an even greater volume of trade and we would like to see all Canadian exporters given a fair chance of getting into outside markets....

"That is one of the reasons why Canada intends to take an active part at the meeting of the Commonwealth Prime Ministers in London. Some of our leading trade experts are already in London helping to get ready for that meeting. The Prime Minister, Mr. St. Laurent, will, of course, go to London in November to represent this country.

"The difficulties being faced by British and other members of the sterling area will be discussed at these meetings. Canada is not

(Continued on P. 5)

AUGUST EXPORTS SLIGHTLY LOWER IN VALUE

8-MONTH TOTAL UP: Canada's domestic exports were slightly lower in value in August, totalling \$345,100,000 as compared with \$349,800,000 in the corresponding month last year. The July value also showed a small decrease to \$371,000,000 from \$374,500,000 a year earlier, but as there were substantial increases in each of the first six months of this year the cumulative total for the eight months ending August climbed to \$2,805,800,000 from \$2,464,500,000 in the similar period of 1951.

As in July, the volume of exports in August was higher than in August, 1951. Lower average export prices were responsible for the lower total value of exports in the month. Export prices have been declining steadily since November, 1951, and since May have been below those of the corresponding 1951 months. The volume of exports has remained above the corresponding 1951 levels in each month of 1952.

WHEAT AND NEWSPRINT

Throughout 1952 wheat exports have been an important contributor to the record levels of Canada's export trade. In both July and August wheat replaced newsprint as Canada's largest export commodity. This was also the case in the totals of exports for the first eight months of this year -- the first time that such has been the case in an extended period.

Exports of other grains and copper were also up sharply, and there were moderate increases in fish and fishery products, newsprint paper. Among the declines were wheat flour, alcoholic beverages, fresh beef and veal, planks and boards, pulpwood, woodpulp, and farm implements and machinery.

Exports to the United States fell in value in August to \$176,354,000 from \$192,838,000, and the eight-month total dropped to \$1,487,-

300,000 from \$1,504,611,000. Shipments to the United States accounted for 51.1 per cent of the total to all countries in August, down from 55.1 a year earlier, and the eight-month proportion fell to 52.7 per cent from 61.5.

In August there were decreases in six of the nine main groups of commodities, while in the eight months there were decreases in three and increases in six groups. In August, the most substantial gain from the previous year occurred in the non-ferrous metals group, while the sharpest declines were in the animals and animal products section, which reflects the restrictions on imports of meat and cattle into the United States, and in the wood, wood products and paper group.

EXPORTS TO U.K.

Exports to the United Kingdom in August rose in value to \$71,366,000 from \$66,397,000 in the corresponding month last year, while the eight-month aggregate rose to \$534,118,000 from \$393,855,000 a year earlier.

Shipments to all other Commonwealth countries declined slightly in value in August to \$19,705,000 from \$19,805,000 a year earlier, but rose in the eight months to \$190,395,000 from \$152,683,000. Exports were higher in August to India and Pakistan, but lower to the Union of South Africa, Australia and New Zealand. Eight-month totals for each of these countries were higher than a year earlier.

Exports to Latin American countries dropped in total value in August to \$14,031,000 from \$17,691,000 in the corresponding month last year, but the eight-month total climbed to \$183,790,000 from \$113,789,000.

Exports to European countries rose in total in August to \$50,557,000 from \$41,926,000 a year ago, while the eight-month value rose to \$292,516,000 from \$197,947,000.

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REHABILITATION PLAN: Resolutions leading to the development of a "master plan" and designed to get under way as quickly as possible the national programme for rehabilitation of the civilian handicapped in areas of activity where the need was greatest and where efforts would have an immediate and practical effect, were passed by the National Advisory Committee on the Rehabilitation of Disabled Persons as it wound up its three-day meeting in Ottawa on September 25.

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RAIL REVENUES AT PEAK: Revenues of leading Canadian railways climbed to a peak of \$98,902,030 in June, an increase of \$7,289,048 or eight per cent over last year's June total of \$91,612,982. At the same time operating income slipped to \$5,380,392 from \$5,871,025 a year ago.

ANTI-DISCRIMINATION ORDER: The Minister of Labour, Mr M.F. Gregg, announced on September 25 that the federal Government has ordered the inclusion in all contracts made by the Government of Canada, for construction, remodelling, repair or demolition of public buildings or other works, or for the manufacture and supply of equipment, materials and supplies, a clause prohibiting discrimination by a contractor in the employment of labour in respect of race, national origin, colour or religion.

The Order-in-Council providing for the inclusion of the anti-discrimination clause in Government contracts becomes effective on January 1, 1953.

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In 1949, 97.5 per cent of the patients in TB institutions received free care.

AID FOR CEYLON: Canada will provide Ceylon with substantial assistance in the development of its off-shore fisheries, under provisions of the Colombo Plan for the Economic Development of South and South-East Asia. This will take the form of two fishing boats from shipyards in British Columbia, a trawler being purchased in the United Kingdom and converted in Canada for service in tropical waters, a fish refrigeration plant of Canadian design and manufacture, miscellaneous equipment and further technical assistance.

The overall cost of this project is estimated at \$1,000,000, which is considered a small figure in relation to the ultimate advantages that will accrue to the people of Ceylon through the provision of more high protein food. Government officials in that Dominion have already expressed their enthusiasm for this venture, which will be identified with Canada, as it will lay the foundation for an industry that can furnish fish to a large part of the population of Ceylon, and so raise the standard of living of millions.

The project has been developed through the efforts of Mr. Donald M. Haywood who proceeded to Colombo twelve months ago on loan from British Columbia Packers, Limited, in Vancouver to act as consultant to the Ministry of Fisheries in Ceylon. He was followed by Mr. George M. Nixon, a refrigeration expert, whose services were also made available through provisions of the Colombo Plan, and who is still in that country. Since his return to Canada last July, Mr. Haywood has been engaged in discussions with federal Government officials, in Ottawa, with shipbuilders, refrigeration engineers and with fishermen who might be prepared to spend several years training the Ceylonese in a new form of fishing. Thus, the experience of Canadians in the development of their own fisheries, will be made available to the people of Ceylon.

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1951 WAGES AT PEAK LEVELS: Industrial employment, payrolls and average weekly wages and salaries were at record levels in 1951, according to the annual review by the Dominion Bureau of Statistics. The index of employment on the base 1939=100, stood at 180.2, 7.3 per cent above the 1950 figure of 168.0. The defence programme contributed materially to the industrial expansion recorded in 1951, when there was a slackening in employment in certain establishments concerned mainly with production for civilian use. A favourable factor was a substantial decline in the workers involved and the time lost in industrial disputes as compared with 1950.

Payrolls index rose 18.5 per cent to 381.3 from 321.8, continuing the year-to-year trend which since 1939 has been interrupted only in 1945, when cutback in war orders and industrial disputes had materially affected the situation. With rising prices, there were wide-

spread adjustments in wage rates and cost-of-living allowances. Changes in industrial distribution of employees as compared with immediately preceding years also contributed to the higher disbursements in wages and salaries in 1951. A further factor was a reduction of about one-third in the time lost as a result of industrial disputes, and consequently in wages forfeited.

Per-capita weekly wages and salaries advanced by \$4.77 to \$49.61 in 1951, showing widespread and significant increases in most areas and industries.

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NEW COMMANDER FOR 27TH: The Minister of National Defence announced on September 27 a shift in senior officer appointments involving three Canadian Army brigadiers.

Brig. John Edward Case Pangman, DSO, Ed, 44, of Toronto, is the new commander of the 27th Canadian Infantry Brigade Group now serving in Germany. He will take over his duties in November.

Presently commanding the 25th Canadian Infantry Replacement Group at Wainwright, Alta., Brig. Pangman will replace Brig. Geoffrey Walsh CBE, DSO, CD, 43, who has commanded the brigade in Europe since it was formed. Brig. Walsh will return to Army Headquarters to become Director General of Military Training.

Brig. J. M. Rockingham, CB, CBE, DSO, ED, 41, former commander of Canadian troops in Korea and since his return Director General of Military Training gives up his post to attend the Imperial Defence College in the United Kingdom.

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U.K. WHEAT PURCHASE: The Minister of Trade and Commerce, Mr. C. D. Howe, announced on September 26 that the United Kingdom will purchase 115 million bushels of wheat or wheat in the form of flour from Canada under the terms of the International Wheat Agreement for registration in 1952-53.

The memorandum of agreement between the United Kingdom Ministry of Food and the Canadian Wheat Board provides for the sale and purchase of the wheat and flour and also for the general shipping arrangements for the crop year 1952-53 and technical matters relating to the wheat trade of the United Kingdom and Canada.

Mr. Howe pointed out that the overall quantity of wheat and flour arranged for under the Agreement relating to the crop year 1952-53 is slightly higher than that arranged in the Agreement between the two countries a year ago. It is somewhat lower, however, than the total purchases of wheat and flour from Canada in that year, which included additional purchases on a Class Two basis and a residual portion under the International Wheat Agreement.

EMPLOYMENT RISES: Employment conditions in Canada showed further improvement in August and early September, the Minister of Labour, Mr. M.F. Gregg, reported on September 29. During the five weeks ending September 4, the number of job applicants registered with local offices of the National Employment Service declined from 175,700 to 147,800, a decrease of 27,900. The September figure represents 3.7 per cent of all paid workers. This compares with 4.3 per cent at the beginning of August and 3.3 per cent at the corresponding date in September, 1951.

The main factors responsible for the higher employment levels in August and the first week in September were harvesting operations, particularly in regard to the bumper wheat crop in the Prairies, the high level of construction activity in most regions, and increased production in consumer goods industries. Employment levels were also rising in producer goods industries and in industries producing basic materials.

The Prairie wheat crop is estimated by the Dominion Bureau of Statistics at 651,000,000 bushels, an increase of nearly 20 per cent over the previous record of 545,000,000 bushels, established in 1928.

Construction continued at a rapid pace, resulting in shortages of certain types of tradesmen in some areas. Contracts awarded during the first eight months of 1952 totalled more than \$1.2 billion. Although this figure was nearly \$500 million below the total for the corresponding period in 1951, it was much higher than for 1949 and 1950.

Sales statistics provide a partial explanation of the rising employment levels in consumer goods industries. Retail sales in July, 1952, were 11.5 per cent higher than in July, 1951. Preliminary data for August, 1952, indicate that department store sales were 13.3 per cent higher than in August, 1951.

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SPECIAL AMBASSADOR: The Secretary of State for External Affairs, Mr. L.B. Pearson, announced on September 29 that Mr. Emile Vaillancourt, Canadian Ambassador to Peru, has been appointed as Special Ambassador of Canada to the Republic of Panama on the occasion of the inauguration of its new President, Colonel José Antonio Remon Cantera.

The ceremonies in honour of the presidential inauguration are taking place in the city of Panama from September 29 to October 3. Mr. Vaillancourt is being accompanied on this mission by Mr. J.C. Depocas, Canadian Government Trade Commissioner in Guatemala. Mr. Depocas will have the special rank of Counsellor for the occasion.

The Ambassador will transmit to the new President a message from the Prime Minister extending congratulations and friendly greetings to the people of the Republic of Panama.

CITES INFLATION DANGER: Failure in the fight against inflation would endanger the whole programme of Western defence as well as the allied effort to strengthen and expand our economy, the Minister of Transport, Mr. Chevrier, warned in an address to the Kiwanis Club of Cornwall on September 29, and hence would threaten. "the collapse of democracy as we know it in the free world."

The Minister observed that Canada has met the defence challenge by whole-hearted support of United Nations action and by joining in the defensive alliance of the North Atlantic Treaty Organization "to build up the military and economic strength of our friends." Mr. Chevrier added that, "Behind all this lies our industrial production for defence. A three-year programme has been initiated which it was estimated would cost \$5 billion."

Mr. Chevrier emphasized the importance of continuing resource development for a country like Canada. Citing the St. Lawrence seaway and power project as "Canada's biggest and most important current project in resource development," he pointed out that "at our instance, United States has joined Canada in requesting the International Joint Commission to approve the construction of works for the development of power in the International Section of the St. Lawrence River." Observing that it was gratifying that the vast majority of the submissions heard so far have favoured the development, the Minister said, "The last hearing will be held at the end of October in Washington and a decision is expected soon thereafter."

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MANITOBA CIVIL DEFENCE: Installation and operation of a public warning system in the Winnipeg area is included in a series of Manitoba civil defence projects to be financed jointly by the federal and Manitoba Governments. The federal Minister in charge of civil defence Mr. Paul Martin, announced on September 29

Federal approval has been given to five projects submitted by Manitoba under the programme of federal-provincial cost sharing for new civil defence projects. These entail a total outlay of \$83,600, and Manitoba qualifies for half that amount out of the fund \$1,445,000 of which the federal Government has undertaken to contribute this year for approved provincial civil defence projects.

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MAJ. GEN. CASSELS' VISIT: Original Commander of the First Commonwealth Division, United Nations Forces in Korea, Maj.-Gen. A.J. H. Cassels, CB, CBE, DSO, arrived at Vancouver on October 1, to begin a tour of Canadian Army installations. The tour itinerary includes visits to army centres at Calgary, Ottawa, Kingston, Toronto, Quebec City and Montreal.

(Continued from P. 1)

MR. HOWE ON TRADE POLICY

a member of the sterling area. But we are concerned when Britain and the sterling area get into trouble and we shall try to help -- as we have always done -- in finding a way out. It is not in Canada's interest to have the world split into a dollar area and a sterling area which do not trade freely with each other...."

"It is sometimes said that Canada has lost the British market. That is a misleading statement. We are, in fact, this year selling more in total to Britain than we did last year, and even more than we sold in 1950. Our sales of wheat and flour to Britain in the crop year 1951-52 were a good deal higher than in 1950-51, and very much higher than in pre-war years. I think we shall do about as well again during the present crop year. We are selling large quantities of essential raw materials like aluminum, copper, nickel and lumber.

"Unfortunately, however, the Governments of Britain and other sterling area countries have considered it necessary to stop their people buying things like Canadian apples, bacon, eggs, and canned salmon, while imports of many manufactured goods from Canada have been cut to small amounts.

"While we have by no means lost the British market, we would like to see all Canadian producers, not just some of them, given a chance to sell their goods on a competitive basis.

SOLUTION NOT EASY

"As I have said, it will not be easy to find a solution to the problem. I do not know what kind of corrective measures can be found that will be acceptable to all concerned. But may I say that I do not think that the solution lies in more restrictions on trade. They have not solved the problem so far and I have no reason to think they will. As a matter of fact, restrictions imposed by Britain and sterling area countries on imports from Canada and the United States since the end of the war, however necessary they may have been as temporary measures, have probably made it even more difficult to bring about a permanent cure for their dollar problems...."

"Britain and the sterling area now face a deep-seated problem -- a persistent tendency for imports to run ahead of exports. Canada will continue to have a part to play in constructive efforts to solve this problem. But the solution depends, not on the help of Canada or any outside country, but in the main upon what the peoples of the sterling area do within their own countries to achieve stability and expand output...."

Mr. Howe went on to discuss the wide export of Canadian wheat and touched upon the success which had attended efforts to develop the Latin American market, in which, he said

Canadian goods of many kinds were acceptable and competitive. In 1950, he said, exports to Latin American countries amounted to \$143 million. In 1951 they reached \$208 million and in the first six months of this year our trade with Latin America had almost doubled, rising from \$80 million last year to \$148 million this year.

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WHOLESALE PRICE INDEX DOWN: Canada's general index of wholesale prices declined 1.6 points or 0.7 per cent in August to 223.9 from 225.5 in July, continuing a downward trend that has been interrupted only once -- in June this year -- from the peak of 243.7 reached in July last year. There were decreases in August from July in the indexes for all groups of products except iron, which was unchanged.

At the new standing, the general index, which is based on 1935-39 equals 100, was 17.5 points or 7.3 per cent below the figure of 241.4 for August, 1951, but still 3.8 per cent higher than in August 1950 when it stood at 215.7.

Largest decrease among the group indexes in August from July was in that for textile products, which fell 1.5 per cent from 252.6 to 248.9 to make a total decline of 11.9 per cent in twelve months. Next in degree of decline, the index for non-ferrous metals dropped 1.3 per cent from 172.5 to 170.2, for a twelve-month decline of 7.2 per cent. The price index of animal products, up in July, eased off 0.9 per cent from 247.1 to 244.9, down 19.8 per cent from 305.4 in August last year. The index of vegetable products declined 0.8 per cent from 208.1 to 206.4; of wood products, 0.4 per cent from 293.5 to 292.3; of non-metallic minerals, 0.2 per cent from 173.9 to 173.5, and of chemical products, 0.1 per cent from 177.2 to 177.0. The iron products index remained at 218.2, which is 2.9 per cent above the level for August last year. The non-metallic minerals index was also 1.6 per cent higher than a year earlier, all group indexes except these two being lower.

The price index of farm products also declined in August, falling 3.3 per cent from 244.3 to 236.2. This brought it 10.3 per cent below last year's August figure of 263.3.

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MAJ.-GEN. TUCK'S VISIT: Engineer-in-chief for the British Army, Maj.-Gen. George N. Tuck, CB, CBE, arrived in Ottawa October 1 to visit Army installations across Canada. In a one-day Ottawa visit, he conferred with senior Canadian Army officers and members of the United Kingdom liaison staff. His Canadian tour will include visits to Vancouver, Chilliwack, B.C., Whitehorse, Y.T., Edmonton, Wainwright, Toronto and Niagara Falls.

OUTFLOW OF CAPITAL: Trade in outstanding securities between Canada and other countries in July produced a net outflow of capital for the third successive month. The July purchase balance amounted to \$16,300,000 compared with \$9,300,000 in May and \$7,400,000 in June.

The purchase balance resulted from transactions with the United States as there were small sales balances with the United Kingdom and other countries. Net repurchases from the United States in July amounted to \$16,500,000 for Canadian Government direct and guaranteed bonds and \$6,100,000 for provincials. Against this were net sales to the United States of only \$2,900,000 in Canadian stocks and \$2,200,000 in United States securities.

Transactions with the United Kingdom in July resulted in a sales balance for the first time in eight months. Net sales of Canadian bonds outweighed net purchases of Canadian stocks, producing a sales balance of \$300,000.

For the period of seven months from January through July there were purchase balances of \$26,800,000 with the United States and \$4,200,000 with the United Kingdom, and a sales balance of \$8,900,000 with other countries. In trade with all countries purchases were \$22,200,000 greater than sales

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CONFERENCE OF STATISTICIANS: Senior statisticians of 22 American nations met at the invitation of the Canadian Government in the new Dominion Bureau of Statistics building at Ottawa on September 29 to consider measures for implementing national programmes of current agricultural statistics, statistical co-ordination and census.

Organized and convened by the Inter-American Statistical Institute (IASI), the eleven-day conference is the second Session of the Committee on the Improvement of National Statistics (COINS) since its establishment by the Executive Committee of IASI on the recommendation of the second Inter-American Statistical Congress at Bogota, Colombia, in January 1950. The first COINS session was held in Washington, D.C., in June 1951.

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ILO DIRECTOR-GENERAL'S VISIT: Mr. David Morse, Director-General of the International Labour Organization, the only part of the League of Nations to survive intact to take its place as a specialized agency of the United Nations, has just made his second official visit to Ottawa since his appointment in 1948. While in Ottawa, Mr. Morse, former Under-Secretary of Labour in the United States was received by Prime Minister St. Laurent on September 30 and had discussions with Mr. Milton F. Gregg, Minister of Labour, other Government and labour leaders, and employers' representatives.

STRIKE IDLENESS DROPS: Time loss through stoppages arising out of industrial disputes in Canada during August, 1952, showed a sharp drop from the preceding month. Preliminary figures showed 43 strikes and lockouts in existence during August, 1952, involving 15,018 workers with a time loss of 205,515 man-working days, as compared with 47 work stoppages in July, 1952, with 55,737 workers involved and a time loss of 881,318 days. In August, 1951, there were 44 strikes and lockouts involving 28,215 workers and a time loss of 226,622 days

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INVENTORIES \$3,466,200,000: Estimated total value of inventories held by Canadian manufacturers at the end of July was \$3,466,200,000, up slightly from the June figure of \$3,465,100,000, and two per cent above last year's value of \$3,388,900,000, according to the Dominion Bureau of Statistics.

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WHEAT STOCKS: Visible supplies of Canadian wheat in store or in transit in North America on September 18 amounted to 201,623,000 bushels as compared with 147,071,000 on the corresponding date last year. Overseas export clearances of wheat during the week totalled 5,786,000 bushels compared with 2,114,000, and in the cumulative period amounted to 38,281,000 bushels as against 25,994,000.

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ELECTRICAL INDUSTRY: Gross factory value of products manufactured by establishments comprising the electrical apparatus and supplies industry reached an all-time high of \$676,009,000 in 1951, an increase of slightly more than 16 per cent over the previous high of \$580,578,000 for 1950, according to advance figures released by the Dominion Bureau of Statistics.

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PIPED OIL DELIVERIES UP: Deliveries of oil by pipe line in June totalled 8,906,459 barrels, an increase of 1,097,565 barrels over the same month last year. During the first six months of this year net deliveries aggregated 45,758,937 barrels, an increase of 6,810,811 barrels or 17.5 per cent over last year's corresponding total of 38,948,126.

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Of the 1951 tobacco crop, Ontario dark air-cured tobacco had the highest average yield per acre at 1,392 pounds, and Quebec small pipe tobacco the lowest at 604 pounds.

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Canadian motor vehicle registrations reached an all-time peak of 2,872,343 in 1951, 10.5 per cent more than in 1950.

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WEEK'S EVENTS IN REVIEW

U.N. GENERAL ASSEMBLY DELEGATION: The Secretary of State for External Affairs announced on September 20 the composition of the Canadian Delegation to the Seventh Session of the General Assembly of the United Nations, which opens in New York on October 14. The Delegation is as follows:

Representatives: Mr. L.B. Pearson, M.P. - Secretary of State for External Affairs (Chairman of the Delegation); Mr. Paul Martin, M.P. - Minister of National Health and Welfare (Vice-Chairman of the Delegation); Senator Gordon B. Isnor; Mr. A.Y. McLean, M.P., and Mr. D.M. Johnson, Canadian Permanent Representative to the United Nations, New York.

Alternate Representatives: Mr. C.P. Hébert, Canadian Ambassador to Mexico; Mr. K.W. Taylor, Assistant Deputy Minister of Finance; Mr. J. Léger, Assistant Under-Secretary of State for External Affairs; Mr. Edgar McInnis, President of the Canadian Institute of International Affairs, and Mrs. Louis Berger, Executive Secretary of the Canadian Cancer Society; Quebec Section.

Advisers for the Delegation will be drawn from the Department of External Affairs and the Department of Finance in Ottawa, and from the Canadian Permanent Delegation to the United Nations in New York. Parliamentary observers will be added to the Delegation and their names will be announced in a later release.

TRADE BALANCE \$197,000,000: Canada had an export surplus of \$32,600,000 in her foreign trade with all countries in July, slightly more than four times as large as last year's corresponding figure of \$7,900,000. With export surpluses in each month of the year except May, the cumulative credit balance for the first seven months of 1952 was \$197,000,000 in sharp contrast to an import balance of \$331,900,000 in the corresponding period last year. The improvement in this period was entirely due to the large export balance with overseas countries, the import balance with the United States being slightly higher.

With a small gain of 1.7 per cent in volume and a drop of 2.5 per cent in prices, Canada's domestic exports to all countries dropped slightly in total value in July to \$371,000,000 from \$374,500,000 in the corresponding month last year. Foreign exports were up narrowly to \$4,700,000 from \$4,100,000. In contrast, the volume of imports rose 10.7 per cent, but prices dropped 16.6 per cent, and the overall value declined 7.5 per cent to \$343,200,000 from \$370,600,000.

In the first seven months of this year, domestic exports to all countries rose in value to \$2,460,700,000 from \$2,114,700,000 in the similar period last year, and foreign exports advanced to \$29,800,000 from \$26,400,000. Imports, on the other hand, dropped in value to \$2,293,500,000 from \$2,473,000,000.

(Continued on P. 4)

FIVE MONTHS BUDGETARY SURPLUS \$336.7 MILLION

DEFENCE SPENDING UP: The budgetary surplus or excess of budgetary revenues over budgetary expenditures for the month of August amounted to \$1.8 million compared with \$72.4 million for July, 1952 and \$76.6 million for August, 1951. For the first five months of the fiscal year the excess of budgetary revenues over budgetary expenditures was \$336.7 million, a decrease of \$80.9 million from the surplus of \$417.6 million for the same period last year, the Minister of Finance, Mr. Douglas Abbott, announced on September 20.

REVENUES AS FORECAST

For the fiscal year to date revenues continue closely in line with the total forecast at the time of the budget; the Minister reported. For the first five months of the fiscal year budgetary revenues amounted to \$1,683.2 million, which was just under 40 per cent of the total forecast for the year as a whole, but \$166.3 million more than the total of \$1,516.9 million collected during the corresponding period of 1951. However, as is customary at this time of year, expenditures are still below the anticipated monthly average level for the year. For the first five months they amounted to \$1,346.6 million or about 32 per cent of the \$4,270 million total forecast in the budget for the fiscal year as a whole.

For August, budgetary revenues totalled \$306.5 million, or \$7.4 million less than those for August, 1951. Individual income tax collections were \$15 million higher, and excise duties yielded \$2.8 million more, but corporation income tax receipts were \$11.5 million and excise tax collections \$13.2 million less than for August, 1951. The decrease in excise tax receipts, however, is due almost entirely to the fact that while last year all collections from the 10 per cent sales tax were credited to budgetary revenues, in 1952 only 8 per cent was so credited, the other 2 per cent going into the Old Age Security Fund.

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CENSUS ANALYSIS: Canada had a larger proportion of married citizens in 1951 than at any other census in the past half century, with 44.3 per cent of the male population and 45.1 per cent of the female population married, according to final 1951 Census figures on population by marital status and sex, published September 18 by the Dominion Bureau of Statistics

Over the past half century the proportions of married males and females have steadily increased, with the largest advances occurring between 1941 and 1951. In 1901, 33.8 per cent of the male population and 34.5 per cent of the female population were married; in 1911,

Budgetary expenditures for August were \$304.7 million, an increase of \$67.4 million over the total for August, 1951. This was due in part to increases of \$10.4 million in subsidy and tax rental payments to provinces, \$4.1 million in expenditures of the Department of Transport and \$6 million in those of the Department of Veterans Affairs (principally for disability pensions and veterans' allowances). However, defence expenditures (that is, the expenditures of the Departments of National Defence and Defence Production), which increased \$44.4 million to a total of \$135.4 million accounted for the major part of the increase. This total for the month is above the monthly average of \$115 million for these defence expenditures for the fiscal year to date, but it is still well below the average monthly expenditure of \$177.1 million for which Parliament has made provision.

PAYMENTS TO PROVINCES

Subsidies and tax rental payments to provinces are higher for the fiscal year to date than for the corresponding period last year but payments under the old and new tax rental agreements are still substantially below the proportionate part of what the total for the year is likely to be.

Pension payments out of the Old Age Security Fund to persons 70 years of age and over amounted to \$26.8 million during August and exceeded tax receipts credited to the Fund by \$8 million, reflecting the lag in the collection of personal and corporation income taxes levied for the purposes of the Old Age Security programme. Any deficiency in the Fund may be financed temporarily by advances to the Fund by the Minister of Finance. In August these advances amounted to \$8 million bringing the total advanced during the first five months of the fiscal year to \$66.9 million. For the time being these advances are treated as Government assets and, therefore, are not included as budgetary expenditures.

35.2 per cent and 37.1 per cent; in 1921, 37.6 per cent and 38.4 per cent; in 1931, 38 per cent and 38.7 per cent; and in 1941, 40.7 per cent and 41.7 per cent. The proportion of both sexes married rose in the fifty years from 34.1 per cent in 1901 to 44.7 per cent in 1951.

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"VETS" FOR TRAINING DUTIES: Twenty-two NCO veterans of service with Canada's 27th Brigade in Hanover, Germany, arrived back home last week to pass their experience to infantrymen in Canada. The NCO's will be posted to training centres in Canada.

VISITED 27TH BRIGADE: Canada's 27th Infantry Brigade Group holding Soest, Germany, in force during Exercise "Holdfast" was visited last week by Lord Alexander, British Defence Minister and former Governor-General of Canada, and the Secretary of State for External Affairs, Mr. Lester B. Pearson.

Mr. Pearson had his first look at the brigade units during a tour of the gigantic exercise with Lord Ismay and other members of the NATO Defence Council on September 17. Conducted by Brig. Geoffrey Walsh, commander of the brigade. Mr. Pearson saw units of the brigade deployed in their perimeter defence role. Mr. A.D.P. Heeney, Canadian representative of the North Atlantic Council, also toured the brigade with the Minister.

On September 18, during his tour of the allied forces taking part in the exercise, Lord Alexander arrived at Canadian NATO brigade headquarters by helicopter. He was accompanied by Gen. Sir John Harding, commander of the British Army of the Rhine. During their rapid two hour visit to brigade units the visiting officers met unit commanders and chatted with soldiers in slit trenches, weapon pits and bivouacs along the city streets.

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TURN "FROGMEN" FOR FISH STUDIES: Two of Canada's fisheries biologists on occasions are giving up their test tubes and microscopes for a more hazardous life as "frogmen" to study the reactions of fish in their native habitat.

Canada's fisheries scientists are more than keeping pace with modern methods of research. The federal Department of Fisheries reports that the scientists are now working at depths of from 45 to 50 feet in waters adjacent to the Pacific Biological Station at Nanaimo, B.C. With experience it is expected that depths of 100 feet may be reached.

This new method of observing fish in their natural surroundings may have an important bearing on fish conservation as scientists now can watch the reaction of fish to fishing gear while actually on the spot.

The scientists wear the standard equipment of frogmen. When under water they carry a short spear in case of attack. Dr. John L. Hart, Director of the Pacific Biological Station, says octopus, wolf eels, blackfish or killer whales could be dangerous at close quarters.

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CRUDE PETROLEUM: Receipts of crude petroleum at Canadian refineries were 10 per cent larger in April and the first four months of this year than in the same periods of 1951. Receipts in the month amounted to 10,722,000 barrels as compared with 9,726,000 in April last year, and in the four months totalled 37,064,000 barrels as against 33,765,000.

RECORD COARSE GRAIN EXPORTS: Combined exports of oats, barley, rye, and flaxseed during 1951-52 reached a record 149,200,000 bushels, more than double the 1950-51 total of 71,300,000 bushels. Barley exports set an all-time record of 69,900,000 bushels, triple those of 1950-51 while oats exports at 69,600,000 bushels, were double those of the preceding crop year. However, exports of rye and flaxseed, at 6,800,000 and 2,900,000 bushels, respectively, were below those of 1950-51.

In addition to setting an all-time record, Canadian barley exports during 1951-52 showed a marked change in distribution from the pattern of recent years. Belgium replaced the United States as the leading purchaser, taking some 18,100,000 bushels. Exports to Japan jumped from 1,200,000 bushels in 1950-51 to 15,100,000 and sales to several European countries also showed substantial increases. Other major markets during the crop year were: the United States, 10,200,000; the United Kingdom, 7,700,000; Germany, 5,800,000; Denmark, 3,300,000; the Netherlands, 2,800,000; and Norway, 2,400,000.

The United States retained its position as the chief export market for Canadian oats, taking 58,600,000 bushels of the 1951-52 total.

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AVOIDANCE OF WAR: "We have three things to do. We must prepare for and against war. We must build up still further the productive strength of our economy. We must fight the threat of inflation that these measures impose upon us," declared the Minister of Transport, Mr. Lionel Chevrier, in addressing the Chamber of Commerce at Sudbury, Ont., on September 18.

Noting that "we have had the problem of controlling and directing a strong economic expansion ever since the end of the war", he pointed out that "today failure in this policy means not only economic hardship, it means the collapse of democracy as we know it in the free world, for it is part of our enemies' plan to bring economic and spiritual collapse by repeated crisis, inflation, despair and slump."

In preparing for and against war the basic objective is to avoid war, Mr. Chevrier stated. He added, "But in the circumstances of today a strongly prepared defence is one of the best ways of preventing war".

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MANUFACTURING REVIEW: The spectacular growth of Canada's manufacturing industries in the past 33 years is traced in the annual general review for 1949 released September 16 by the Dominion Bureau of Statistics. New records were posted during the year in gross and net values of production, cost of materials used, salaries and wages, and number of establishments. Only in two war years was the number of employees larger than in 1949.

(Continued from P.1)

TRADE BALANCE \$197,000,000

Trade with the United States in July produced a larger import surplus of \$54,500,000 as compared with \$29,800,000 a year earlier, bringing the cumulative total for the seven months to \$380,200,000 compared with \$374,000,000 a year ago. Domestic exports to the United States in July were down to \$188,600,000 from \$201,900,000 a year ago, and to \$1,301,900,000 in the seven months from \$1,311,800,000. Foreign exports in July were worth \$3,400,000 against \$3,000,000, and \$22,200,000 in the January-July period against \$20,100,000. Imports were up in the month to \$246,600,000 from \$234,700,000, but down slightly in the cumulative period to \$1,704,400,000 from \$1,705,800,000.

Export surplus in trade with the United Kingdom rose in July to \$35,300,000 from \$30,800,000 in the corresponding month last year, bringing the cumulative total for the seven months to \$270,104,000, sharply above last year's total for the same period of \$60,400,000.

Domestic exports to the United Kingdom were down in value in July to \$68,800,000 from \$73,900,000 a year earlier, but substantially higher in the seven months at \$462,800,000 against \$327,500,000. Foreign exports in July totalled \$600,000 against \$200,000, and \$2,800,000 in the January-July period against \$800,000. Imports from the United Kingdom in July fell in value to \$34,100,000 from \$43,300,000, and to \$195,500,000 in the seven months from \$267,900,000.

There was also a sharp change in the trade balance with the rest of the sterling area in the first seven months of this year. This changed from an import balance of about \$44,000,000 last year, to a substantial export balance of some \$75,000,000 this year. During the same period the export balance with all other countries at \$233,000,000 was more than nine times as large as in the previous year.

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INDUSTRIAL OUTLOOK. There is little of the "boom" psychology in Canada's industrial expansion, which, in the main, is "based on demonstrated ability to produce on a favourable cost basis," said the Associate Deputy Minister of the Department of Trade and Commerce, Mr. M.W. Sharp, in addressing the Provincial Governments Trade and Industry Council at Lindsay, Ont., on September 22.

"I am inclined," he said, "to look upon the recent industrial expansion as an indication that business looks with confidence towards a growing market over a long period of time."

In appraising the outlook for the future, he said, in part:

"Millions of dollars are being invested in oil because the Prairies can produce oil as economically as other great fields on this continent. Petro-chemical plants are being

erected because the raw materials are readily at hand. Kitimat is based on the coincidence of abundant and cheap hydro-power and access to ocean transportation, both of which are essential to the low cost production of aluminum. The exploitation of the Ungava iron deposits rests on the belief that the steel industry of this continent will need these high grade ores in order to meet continuing peacetime demands. No other country is in a more favourable position than Canada to supply uranium for the production of atomic energy. I could go on.

"Developments of this nature provide their own impetus. For example, we have some information about plans and programmes of the manufacturing, utilities and mining sectors of industry covering the period 1952 to 1955. If industry implements the projects that are underway or in the blueprint stage, a total capital outlay of some \$5 billion would be involved. The expenditure of such a sum would be sufficient to maintain the 1951 rate of investment of these three groups of industries for close to three years. And, of course, these industries are likely to develop, in the intervening period, many other projects of which we have no inkling at present, for example those that would follow the completion of the St. Lawrence power and navigation project.

"I am not going to suggest that the present rate of overall industrial expansion will continue whatever happens. Businessmen in Canada are just as sensitive to changes in the economic climate as they are anywhere in the world. Some ups and downs, some fluctuations in business confidence are well-nigh inevitable and are bound to affect plans for expansion. Nor will all industries expand at the same rate. However, it seems to me that setbacks, if they come, will be temporary and that the underlying trend is strongly upward."

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AIR CARRIERS OUT OF RED. Several new records were set by Canadian civil air carriers in 1951, a highlight of the year being a sharp climb in net operating revenues from \$1,268,300 in 1950 to \$5,374,100. This contrasts sharply to the deficits from operations in seven years prior to 1950.

Total aircraft miles flown by all commercial planes amounted to 48,159,700 during the year and surpassed the 1950 total of 41,368,000 by 16.4 per cent. Revenue passengers, which were carried a total distance of 585,701,500 miles, numbered 1,788,600 as compared with 1,452,100 transported 474,367,200 miles in the preceding year. This extended the average journey slightly to 327.5 miles from 326.7 for 1950.

Amount of freight moved by air advanced to 61,693,200 pounds from 46,681,200, a gain of 32.2 per cent.

RCAF CHIEF FOR EUROPE: Air Vice Marshal Hugh Lester Campbell, CBE, CD, 44, of Salisbury, N.B., has been appointed Air Officer Commanding the RCAF's Air Division Overseas Air Commodore Keith L. Hodson, OBE, DFC, CD, 37, of London, Ont., who has been serving as head of the Air Division planning team since January, will become Chief Staff Officer under A/V/M Campbell.

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JET FIGHTERS FOR CONTINENT: Three RCAF Sabre-jet fighter squadrons are scheduled to leave Canada at the end of the month in one of the largest mass movements of aircraft ever carried out over the Atlantic Ocean, it was announced September 23 by Air Force Headquarters.

The movement will involve approximately 60 of the Canadian-built Sabres, which will terminate their long flight at the RCAF's new base on the Continent, No. 2 RCAF Fighter Wing at Gros Tenquin, near Metz in France. Expected departure date of the squadrons is September 30, subject to suitable weather conditions prevailing.

The arrival of the three squadrons will mark the first Continental-based operational RCAF units that Canada is providing to the NATO forces there for the common defence of the western nations. No. 1 Fighter Wing, consisting of three RCAF Sabre jet squadrons, is based at North Luffenham in Britain, and will eventually move to one of the four airfields being made available to the RCAF in France and Germany, under agreements among the NATO nations.

Air Division Headquarters now at Paris consists of an advanced echelon and its members at present are personnel belonging to the planning team which has been on the Continent since early this year, laying the ground work for formation of the Air Division. Plans call for a gradual build-up of the Air Division Headquarters to meet the need as RCAF strength on the Continent increases.

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EXPORTS DOWN IN AUGUST: A summary of foreign trade figures for August released by the Dominion Bureau of Statistics shows a small decline in the value of Canada's total domestic exports to \$345,100,000 from \$349,700,000 in August last year, and a decrease in estimated total imports to \$303,600,000 from \$357,500,000.

Domestic exports to the United States declined to \$176,300,000 from \$192,800,000 in August last year, but there was a rise to the United Kingdom to \$71,400,000 from \$66,400,000. Estimated imports from the United States fell to \$214,300,000 from \$229,500,000, and from the United Kingdom to \$32,300,000 from \$39,100,000.

The August import figures are only preliminary.

WHEAT FOR INDIA The Acting Secretary of State for External Affairs announced on September 23 that the Canadian Government has agreed to allocate \$5 million out of the Colombo Plan Funds available to India during this current fiscal year for the purchase of wheat. The Indian Government had requested a larger proportion of Colombo Plan aid in the form of wheat but the Canadian authorities considered that the balance of funds available to India should be used for the provision of capital equipment directly related to the Indian economic development programme.

The Indian Government will set up a special fund to be derived from the sale of the Canadian wheat in India and equivalent in rupees to the \$5 million Canadian grant. This "counterpart" fund will be used for the internal financing of economic development projects to be mutually agreed upon by the two Governments.

Negotiations are proceeding with a view to deciding upon the most suitable development projects which Canada can assist by providing required equipment from the balance of the Colombo Plan funds available to India this year.

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MR. CLAXTON'S WASHINGTON VISIT: The Minister of National Defence, Mr. Brooke Claxton, will visit the United States late this month, the Department of National Defence announced on September 22. The visit is being made at the invitation of Secretary of the U.S. Army, Mr. Frank Pace, Jr.

The Minister and accompanying members of his staff will be greeted by Secretary Pace and ranking service officials upon arrival in Washington, on September 29. Mr. Pace will accompany Mr. Claxton on an inspection tour of Army facilities at Fort Monmouth, New Jersey, Fort Benning, Georgia, and Aberdeen Proving Ground, Maryland.

Mr. Claxton will have a number of interviews, including those with the Honourable Robert Lovett, Secretary of Defence, and Air Force and Navy officials, as well as with Mr. Hume Wrong, Canadian Ambassador at Washington, and members of the Canadian Joint Staff there. Mr. Claxton expects to return to Ottawa on October 4.

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Canadian tourist officials representing the federal and provincial governments, as well as leading transportation companies, are to meet in annual conference in Ottawa on December 1, 2 and 3.

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Canada's exports of wheat and wheat flour in terms of wheat amounted to a total of 356,000 bushels during the 1951-52 crop year, second only to the record 407,600,000 exported in 1928-29.

INDUSTRIAL RESEARCH: Outlining to the Annual Conference of the Provincial Governments Trade and Industry Council, at Lindsay, Ont., on September 23, some of the major achievements in the industrial research field in Canada in recent years, Mr. O. J. Firestone, Economic Adviser, Department of Trade and Commerce, mentioned particularly the forestry, mining and chemistry industries.

In the forest products industry, he said, greater efficiency and less waste have resulted from the intensive research that has been carried on in Canada in the last quarter-century. Among other items, two pulp mills in British Columbia are now operating solely on waste products of forest operations and other similar mills are planned.

"The mining industry in Canada," he said, "has benefited greatly from research and owes much of its present prosperity to the improved processes and to the new uses for its products that have come from industrial research." He gave as an example the research work which developed new alloys with important commercial uses and "put the nickel industry on a sound peacetime basis."

"A separation process developed jointly by the federal Department of Mines, National Research Council and the Eldorado Gold Mines Company," he said, "made possible the development of Canada's radium industry."

CHEMICAL PRODUCTION

"Most of the chemicals now being produced in Canada or scheduled for production in the near future are the direct results of industrial research..."

"The Atomic Energy pile of Chalk River is making a substantial contribution to industrial research with its pile-produced isotopes. You have all heard about the 'cobalt bomb' and its contribution to the fight against cancer. Canada is in the forefront of research into the medical applications of atomic energy..."

"Research carried out by the National Research Council is helping Canada to maintain her leading position in the production of electronic equipment as in many other fields..."

Regarding benefits from industrial research carried out abroad, he said:

"If we welcome foreign industries to Canada, why not also welcome the large amount of scientific information and technical know-how that these firms are able to bring with them and draw on in the future? As long as Canadians concentrate on problems that are most appropriate to their own resources, climate and needs, there will be forthcoming a continuous flow of scientific information of the highest calibre. Canadians will gladly continue to share with other countries the increasing contribution to knowledge which their distinguished scientists are making. A healthy interchange of scientific information and the benefits from applied research is already one

of the features of our international relations and there are signs pointing to further growth in this interchange..."

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G.A.T.T. DELEGATES: The Department of External Affairs announced on September 19 the composition of the Canadian Delegation to the Seventh Session of the Contracting Parties to the General Agreement on Tariffs and Trade which is scheduled to open at Geneva, Switzerland, on October 2.

The Delegation will be as follows:

Chairman: Dr. C.M. Isbister, Director International Trade Relations Branch, Department of Trade and Commerce.

Delegates: Mr. D.V. LePan, Canadian Embassy, Washington; Mr. S.S. Reisman, Department of Finance; and Mr. A.R. Kilgour, Department of External Affairs, Secretary of Delegation.

Under the provisions of the General Agreement the representatives of the Contracting Parties meet periodically for the purpose of facilitating the operation and furthering the objectives of the Agreement. The last Session was held at Geneva from September 17 to October 27, 1951.

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RETAIL SALES UP 11 P.C.: Canada's retail establishments had estimated dollar sales of \$965,350,000 in July. This was 11.5 per cent higher than last year's July sales of \$865,789,000, but 1.3 per cent below the June total of \$978,263,000. Sales during the January-July period aggregated \$6,231,221,000, or 6.6 per cent greater than in the corresponding period last year when the value was \$5,845,969,000.

Higher sales values were reported in all sections of Canada both in July and the seven months as compared with a year earlier. All but two trades -- meat and coal and wood dealers -- registered gains in dollar sales in July, while seven-month results show declines only in meat, hardware, and lumber and building materials

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RECORD AUTO ENTRIES: Foreign vehicles entering Canada on traveller's vehicle permits rose seven per cent in August to reach a new high for any month of 540,376. This compares with the previous peak of 503,956 in August last year. Cumulative entries for the first eight months of this year numbered 1,759,545, six per cent above last year's corresponding total of 1,660,707.

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Unemployment insurance benefit payments in July amounted to \$6,294,669 as compared with \$6,726,957 in the preceding month, and \$3,427,834 in the corresponding month last year.



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WEEK'S EVENTS IN REVIEW

CIVIL DEFENCE: Approval of the first provincial civil defence projects to be submitted under a new programme of federal-provincial cost sharing for civil defence was announced on September 17 by the federal Minister in charge of civil defence, Mr. Paul Martin

The four projects were sent in by Saskatchewan and total \$88,000. Under the terms of an agreement announced in April, the federal Government pays half the cost of approved provincial projects up to a maximum of \$1,445,000 per year.

The Saskatchewan projects include the basic costs of organizing and administering Saskatchewan's civil defence programme, the salary and expenses of a full-time provincial civil defence director, an assistant director and staff, and the maintenance of their offices. Another project is to cover the salary of a deputy director of civil defence training and the costs of running the provincial school, already well established, and the costs of providing technical training for about 200 local civil defence instructors and municipal directors.

Saskatchewan's district training schools for auxiliary fire fighters and the programme for instructing high school students in fire-fighting will be continued with federal aid. In addition, a film will be produced by the Province on the hazards of crop incendiarism.

The Province will match a federal grant to initiate training programmes in the health and welfare aspects of civil defence. A full-time medical director and a full-time welfare officer will be employed to organize civil defence health and welfare programmes in the various districts of the Province.

Other provincial projects are now under study, and it is expected that this federal grants programme will do much in the present year to stimulate the expansion of provincial and municipal activities, Mr. Martin said.

The following amounts, calculated on a per capita basis weighted in favour of provinces with target areas, are available to the other provinces under the cost-sharing programme: Alberta, \$85,000; British Columbia \$132,000; Manitoba \$83,000; New Brunswick \$46,000; Newfoundland \$33,000; Nova Scotia \$65,000; Ontario \$492,000; Prince Edward Island \$7,900; Quebec \$433,000.

If the entire amount of the federal grants available for civil defence is taken up, Mr. Martin pointed out, this will make possible a civil defence programme of \$2,800,000, apart altogether from other developments undertaken by the federal and provincial Governments. As municipalities can come in on a three-way sharing basis with the other Governments, the total this year could go as high as \$4,200,000 under this plan.

25,000,000 VISITING CANADA EACH YEAR

99 PER CENT FROM U.S.: Foreign travel expenditures in Canada amounted to an estimated \$274,000,000 in 1951 as against a record \$280,000,000 spent by Canadian travellers in other countries, leaving a small debit balance of \$6,000,000 in contrast with credit balances of \$49,000,000 in 1950, \$92,000,000 in 1949, and \$145,000,000 in 1948, according to the Bureau's annual review of travel between Canada and other countries.

The 1951 total of foreign travel expenditures in Canada was only \$1,000,000 below the 1950 level and \$11,000,000 under the 1949 record. Expenditures by United States visitors accounted for \$258,000,000, or 94 per cent of the total, and those by travellers from overseas countries, principally the United Kingdom, for the remaining \$16,000,000.

During the year, Canadian travellers spent a total of \$246,000,000 in the United States and \$34,000,000 in overseas countries. The \$12,000,000 credit balance on travel between Canada and the United States was offset by the \$18,000,000 debit balance on travel between Canada and overseas countries.

Canadian immigration officials reported a total of 24,900,000 visits to Canada by non-residents in 1951, more than in each of the two preceding years and close to the record of 25,100,000 visits in 1948. The visits include

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SECURITIES TRANSACTIONS: For the second successive month, Canadian purchases of outstanding securities from other countries in June exceeded sales the result being a purchase balance both in the quarter ended June and the first half of the year.

Transactions in June yielded a purchase balance of \$7,400,000 down moderately from the May purchase balance of \$9,300,000 and comparing with a sales balance of \$2,800,000 in April. There was thus a purchase balance of \$13,900,000 for the three months in contrast with a sales balance of \$8,100,000 in the first quarter, making a purchase balance of \$5,800,000 for the half year. The latter compares with a sales balance of \$57,100,000 for the first six months of 1951.

During the first half of this year Canadians made net repurchases of Government of Canada direct and guaranteed bonds amounting to \$73,500,000, and net sales of \$61,700,000 of other Canadian securities including \$48,000,000 common and preferred stock. Net purchases of United States securities by Canadians were recorded in June for the first time this year, but over the six months Canadians continued to liquidate holdings abroad

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There were 267,000 babies born in Canadian hospitals in 1950.

those made by vacationists, summer residents, commuters, businessmen and all other persons entering the country except immigrants, and over 99 per cent of the total were from the United States. The visits ranged in length from an hour or less to as long as a year, with about 16 per cent of the total lasting longer than 48 hours.

Visits of two days' length and less brought 21,000,000 persons, or 84 per cent of all visitors, and accounted for \$49,000,000, or 19 per cent of the total expenditures. Visits of more than two days' length brought 4,000,000 persons, 16 per cent of all visitors, but accounted for \$209,000,000 or 81 per cent of the total expenditures by foreign travellers in this country.

The 1951 total of expenditures by United States residents in Canada was \$2,000,000 below the 1950 total of \$260,000,000, despite an increase of six per cent in the number of visits from that country in the year. The average length of visits dropped from 4.8 days in 1950 to 4.5 days in 1951, and the average declared expenditure per car of non-resident motorists travelling in Canada on customs permits, other than commuters, summer residents and locals, declined from \$60.29 to \$57.25.

FARM INCOME DOWN SLIGHTLY: Canadian farmers received two per cent less cash from the sale of farm products and from grain adjustment and participation payments on previous years' crops in the first six months of this year than in the corresponding period of 1951. Chief factors in the overall drop were declines in income from the sale of livestock, and a lower participation and adjustment.

This year's half-year farm cash income (excluding Newfoundland) aggregated \$1,226,719,000 as compared with \$1,251,909,000 in the corresponding period of 1951. In addition, supplementary payments made to farmers under the provisions of the Prairie Farm Assistance Act amounted to \$2,436,000 as compared with \$9,265,000 a year earlier.

The decline in farm cash income took place in the second quarter of this year, estimated total for the period declining to \$640,927,000 from \$757,528,000. First-quarter total was up to \$585,792,000 from \$494,381,000 in the like 1951 period.

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3RD PPCLI TO KOREA: Trained to the highest possible peak of efficiency, members of the 3rd Battalion, Princess Patricia's Canadian Light Infantry, will embark in October for the Far East to relieve the 1st Battalion PPCLI. Army Headquarters has announced.

INVESTMENT IN TRAINING: Educationists from all parts of Canada gathered in Ottawa for a two-day conference of the Canadian Vocational Advisory Council were told that it was estimated that the \$17,000,000 invested by the Canadian Government in pre-matriculation, vocational and university training for veterans of World War II would probably be repaid by those veterans in income taxes by the end of 1955.

This information was revealed to the delegates on September 12 by Dr. H.W. Jamieson, Superintendent of Training for the Department of Veterans Affairs. Dr. Jamieson explained that the value of these trained men to the Canadian economy was inestimable. Canada's unique method of providing accelerated pre-matriculation training had resulted in veteran graduates being ready to take their place in the nation's economy a year or so earlier than would have been possible without this special training. This had proven immensely valuable in providing engineers and scientists to help meet the tremendous demand which had arisen during the post war years. Dr. Jamieson stated that there were still 1,500 veterans of World War II undergoing training. These were mostly those on long term courses or those whose training had been delayed by long hospitalization.

The Conference was under the Chairmanship of Dr. G. Fred McNally, former Chancellor of the University of Alberta

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SUCCESSFUL FORESTRY CONFERENCE: The Minister of Resources and Development, Mr. R.H. Winters, stated on September 11 that the Sixth British Commonwealth Forestry Conference in Ottawa has been described by delegates from the 19 participating Commonwealth countries as the most interesting and profitable of the series of conferences which began in London, England, more than 30 years ago. Modern developments which have taken place in Canada in the handling of forestry problems have been unveiled to the delegates, including the recently developed use of the products of atomic research in the fight against insect pests.

During the Conference period, which began on August 11th and concluded last week-end, delegates from overseas, observers from the United States and FAO, and representatives of Commonwealth timber trades and forest education institutions, together with federal and provincial governments' forestry officials and other Canadian organizations, travelled some 3,000 miles visiting forests, forestry projects and utilization sites in the Provinces of Quebec and Ontario.

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The 1952-53 season output of standard silver and new-type fox pelts is estimated at 23,700, 43.4 per cent below the 1951-52 season estimate of 40,800.

DUTCH IMMIGRANT HONOURED: Her Majesty Queen Elizabeth has approved the award of the George Medal to a Netherland immigrant farmer who is credited with saving the lives of two R.C.A.F. Flight Cadets from the tangled wreckage of their burning plane.

The award, which is only granted for acts of great bravery, will be presented to Wilhelm Koele of Exeter, Ontario. He received the Netherlands Civil Award, comparable to the George Medal, last January in recognition for his brave deed.

An R.C.A.F. Expeditor aircraft from the Air Force Flying Training School at Centralia, Ont., crashed on Mr. Koele's farm and burst into flames. Two men were trapped inside the wreckage. Without regard for his own safety, Mr. Koele pulled the flyers from the wreckage and an R.C.A.F. investigation later disclosed that the two men would have died if it had not been for the actions of Mr. Koele.

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MINISTER OF DENMARK: The Department of External Affairs announced on September 16 that Mr. Ove Flemming de Sehested has presented to the Deputy Governor General, the Honourable Mr. Justice P. Kerwin, his letter of Credence as Envoy Extraordinary and Minister Plenipotentiary of Denmark to Canada.

Mr. Sehested was born in 1888. He entered the Danish Foreign Service in 1912 and has served in a number of capitals including Paris, Stockholm, Berne, Prague and Oslo. He was Minister of Denmark to Brazil from 1935 to 1947 and has since served in the Foreign Ministry at Copenhagen.

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THREE AIR ATTACHES: Three senior RCAF officers left Canada last week to take up positions as Air Attachés in Prague, Stockholm and Moscow, it was announced on September 11 by Air Force Headquarters Group Captain Gordon Parker Dunlop, AFC, CD, of Regina, replaces G/C H.H.C. Rutledge, OBE, of Wawanese, Man., as Canadian Air Attaché in Stockholm, Sweden. Group Captain W. Gordon Welstead, AFC, of St. Catharines, Ont., takes over his new duties in Prague, Czechoslovakia, from Group Captain M.G. Doyle, of Jacquet River, N.B. and Wing Commander T.J. (Terry) Evans, of Toronto replaces W/C W.M. Stephen, DSO, of Kingston and Ottawa, as Air Attaché to Moscow.

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Average declared expenditures of non-resident motorists travelling in Canada on customs permits, exclusive of summer residents, commuters and locals, was \$57.25 per car in 1951.

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Of the 4,115,584 Canadians who spoke only English in 1951, 43.8 per cent resided in Ontario.

IMMIGRATION UP: Immigration to Canada during the month of July totalled 16,687 the Minister of Citizenship and Immigration, Mr. Walter Harris, announced on September 17. This brought the total of immigration for the first seven months of this year to 114,744 as compared with 99,421 for the first seven months of 1951.

The Department's figures showed a sharp increase in the ratio of dependents to workers. In the past few years, workers have comprised about 60 per cent of immigrants. In the month of July, out of the 16,687 total, only 8,133, or 49 per cent, were workers. The remainder were dependent wives and children and a group of 491 who were not classified as workers.

Included in the July intake were 6,124 men, 5,522 women and 5,041 children under the age of 18. Farm workers were the largest single group, totalling 2,131, with 1,871 coming into the skilled worker classification. There were 751 female domestics.

U. K. IMMIGRANTS

The increase in the number of arrivals from the United Kingdom continued during the month of July. British immigrants for July of 1952, at 4,794, was an increase of 36 per cent over the same month in 1951. Immigration from the United States, at 985 for July, 1952, was an increase of 25 per cent over the 791 total in July of 1951. Immigration from most other countries was somewhat lower with the Dutch, however, who totalled 2,749 showing an increase of about 50 per cent.

The July arrivals brought the total number of British who have come to Canada this year to 27,795, an increase of 10,133 over the first seven months of 1951. Immigration from the United States, which for the year totals 4,916 is up 10 per cent over 1951, while the total of 45,431 from the Northern European countries is an increase of 10,624 over the first seven months of 1951. Intake from all other countries is down about 14 per cent. The 1952 figure of 36,602 for these other countries compares with 42,473 in the first seven months of 1951.

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GEOLOGICAL RESEARCH: Grants-in-aid totalling \$19,951 have been awarded by the federal Government to research workers in the geological sciences in various Canadian universities for 1952-53, the Minister of Mines and Technical Surveys, Mr. George Prudham, announced on September 11. Designed to stimulate and support geological research in general in Canadian universities and fundamental laboratory research in particular, the grants are awarded on the basis of recommendations of the National Advisory Committee on Research in the Geological Sciences and offer wide scope to workers in carrying out research on widely diversified problems.

RECORD LABOUR INCOME: Canadian labour income reached new peak levels in June and the first six months of this year. Total for the month was \$829,000,000 as compared with \$876,000,000 in May and \$821,000,000 in the corresponding month last year. For the half year the aggregate was \$5,150,000,000 as compared with \$4,584,000,000 a year earlier, a rise of 12 per cent. The month-to-month growth of labour income in 1952, particularly in the second quarter, has not been as great as during the first half of 1951, when economic activity was unusually high.

The expansion in total wages and salaries in June was distributed fairly evenly among the industrial groups with the exception of the primary commodity-producing section and manufacturing. The former showed no change from May and the latter dropped \$1,000,000. The logging strike in British Columbia and the seasonal reduction in woods operation in eastern Canada combined to reduce total wages and salaries for forestry. The usual June rise in manufacturing did not take place due to the strike of lumber and wood products workers on the west coast and to minor lay-offs and short-time worked in the iron and steel products industry.

Approximately 10 per cent of the rise in labour income in the first half of this year may be attributed to higher average earnings and the remainder to increased employment. All industrial groups shared in the rise in the half year, gains ranging between 11 and 14 per cent, except for construction, which showed a gain of nearly 25 per cent.

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NEW FIGHTER SQUADRONS FOR NATO: Plans are under way to establish two new R. C. A. F. fighter squadrons to back up Canada's NATO commitments in Europe, Air Force Headquarters announced on September 16.

Air Force officials identified the two new units as 414 and 422 Fighter Squadrons. They will be equipped with Sabre jets similar to those now on Active Service in Korea and those used by the Canadian Squadrons in Europe.

Formation of 414 Fighter Squadron will be effected early in December, according to Air Force officials, and the establishment of 422 Fighter Squadron will take place in January. Both squadrons are designated for service in Europe following final training and organization of the units in Canada.

Twelve all-Canadian Fighter Squadrons in Europe before 1954 is the aim of the Air Force. Three squadrons are slated to take off from Goose Bay later this month to fly the Atlantic for NATO duty in France.

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A total of 9,241,000 dozen pairs of hosiery valued at \$61,341,000 were manufactured in Canada in 1950

HEAVY CROPS ARE BEING HARVESTED

ESTIMATES FULFILLED: Harvesting results to date in the Prairie Provinces indicate that early estimates of heavy yields are being realized. Unfavourable weather, however, has delayed harvesting operations for the past two to three weeks in northern and western areas of Manitoba and in most of Saskatchewan and Alberta, the Dominion Bureau of Statistics reported on September 17.

In Manitoba, except for flax, harvesting is nearly completed in southern areas and is about one-third done in the remainder of the Province. Although some three-quarters of the grain has been cut in Saskatchewan only a quarter of the wheat and half of the coarse grains have been threshed. In Alberta only in the southeast has any substantial amount of threshing been done. No general frosts have yet occurred but considerable hail damage, particularly in Alberta, has occurred during the past three weeks.

The weather in Ontario during August and September was more favourable for crop growth than during the two preceding months. Temperatures were higher than normal and most of the Province had adequate rainfall. Harvesting

of spring grains is almost finished in the southern part of the Province but is not expected to be completed in northern Ontario until the end of the month. While outturns of spring grains have been generally below those of last year, they are greater than anticipated earlier.

Harvesting of cereal crops in the Province of Quebec vary from near completion in the area around Montreal to just getting under way in the Gaspé Peninsula, Lake St. John district and at Macamic.

Favourable weather has prevailed over southern and central interior sections of British Columbia during the last month greatly facilitating harvesting operations. However, showery weather in the Peace River District has delayed ripening of grain. The third cutting of alfalfa is completed in all areas. Harvesting of grain crops is practically completed in southern portions of the provinces and well-advanced in central interior sections.

Favourable weather has prevailed over the greater part of the Maritime Provinces and the grain harvest is well on the way to completion.

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SECOND CROP ESTIMATES: Second estimates of production of the major grain crops, hay and potatoes issued by the Dominion Bureau of Statistics on September 16 show relatively little change from those released on August 15. Based on conditions at August 31, Canadian farmers are expected to harvest all-time record crops of wheat, barley and soybeans, near-record crops of rye, sugar beets and shelled corn, and above-average outturns of most other field crops.

Canada's 1952 wheat crop, currently estimated at the unprecedented total of 675,000,000 bushels, exceeds by more than 100,000,000 bushels the previous record of 567,000,000 set in 1928. The increase of 19,000,000 bushels over the first estimate of production is due principally to improved prospects in Saskatchewan where the wheat crop is now placed at 417,000,000 bushels, larger than an average wheat crop for the whole of Canada. A crop of the size indicated would be 92,000,000 bushels greater than this Province's previous record wheat crop harvested last year.

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GRAIN TRADE REPORT: The Dominion Bureau of Statistics has released the 1950-51 issue of "Grain Trade of Canada". This annual report contains a statistical summary of production, acreages, yields, prices, and distribution of the principal grain crops, as well as data on inspections by grades, receipts and shipments, lake freight rates, exports by principal ports and final destinations.

INSTALMENT BUYING SPUR: The lifting of credit regulations early in May contributed extensively to an unprecedented rise of over 77 per cent in the value of instalment sales during the second quarter of this year as compared with a year earlier, and to a significant advance of 7.6 per cent in charge sales. At the same time cash sales rose by 1.3 per cent. The overall result was an increase of 8.1 per cent in the value of total retail sales.

Total for the three categories -- cash, instalment, and charge -- in the second quarter of 1952 advanced to \$2,951,700,000 from \$2,730,600,000 in the corresponding period of 1951. Cash sales rose to \$2,014,900,000 from \$1,989,800,000, instalment to \$355,700,000 from \$200,800,000, and charge to \$581,100,000 from \$540,000,000.

Proportion of retail sales on a cash basis fell in the April-June period to 68.3 per cent from 72.9 per cent in the same period last year, while charge sales were slightly lower at 19.7 per cent against 19.8. Proportion of instalment sales rose sharply to 12.0 per cent from 7.3.

Customers' accounts receivable at the end of June rose to \$534,400,000 from \$478,300,000 a year earlier, charge receivables rising to \$396,900,000 from \$356,500,000, and instalment receivables to \$137,500,000 from \$121,800,000.

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Some 22,459 television sets were sold in Canada in the first five months of this year.

MANITOBA HEALTH SURVEY: Manitoba's health survey committee supports the principle of a health insurance plan for Canada but suggests that priority be given to the preventive medical services now being set up in Manitoba under the Province's own health plan. This was disclosed on September 12 with the release by the Minister of National Health and Welfare, of a comprehensive report on Manitoba's health services. The study, financed by a federal grant, contains more than 60 recommendations for expansion and improvement of all phases of public health in Manitoba.

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ELECTRICITY OUTPUT UP: Output of electric energy by central electric stations rose five per cent in July, amounting to 4,841,336,000 kilowatt hours as compared with 4,630,320,000 in the same month last year. With gains over a year earlier in each month from January to July, cumulative output for the first seven months of 1952 advanced seven per cent to 35,649,242,000 kilowatt hours from 33,444,842,000 in the like period of 1951.

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FARM EQUIPMENT \$235,620,000: Sales of new farm implements and equipment - mainly at wholesale prices - rose to an all time peak value of \$235,620,000 in 1951, eight per cent above the previous high of \$218,187,000 in 1950, according to the Dominion Bureau of Statistics. Sales of repair parts totalled \$28,773,000 against \$29,862,000, a drop of four per cent.

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LABOUR FORCE 5,419,000. Canada's civilian labour force totalled 5,419,000 in August according to a summary of results of the labour force survey conducted by the Dominion Bureau of Statistics and based on activity during the week ended August 16, 1952. Reflected in this total is the usual increase of the summer season, which resulted in a gain of 76,000 over August of last year.

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INDIAN HEALTH SERVICE: The Directorate of Indian Health Services and Information Services Division of the Department of National Health and Welfare are pooling their resources in an integrated five-year plan of health education directed at the Indians. Among the subjects being introduced are weaning, well-baby care, nutrition, gardening, water, flies and garbage disposal, infantile diarrhea, care of the skin, home nursing and general health habits.

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BATTLE OF BRITAIN SUNDAY: Battle of Sunday, commemorating the "handful" of fighter pilots who stemmed the tide of Nazi aggression in 1940, will be celebrated Sunday, September 21, the RCAF has announced. The day will be marked by parades and church services in cities and towns across Canada where RCAF personnel are stationed.

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STORE SALES UP 14.4 P.C.: Department store sales rose by an estimated 14.4 per cent during the week ending September 6 as compared with the same week last year, according to preliminary figures. There were gains in all sections of Canada.

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TO ITALIAN WAR COLLEGE: Maj. Angelo Thomas Sesia, MBE, 42, of Ottawa and Montreal is to attend the general staff course at the Italian War College at Civita Vecchia, north of Rome, Army Headquarters has announced.

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Department store sales rose by an estimated 13.3 per cent during August as compared with the corresponding month last year, according to preliminary figures. There were increases in all regions of the country.

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For every 49 Canadians there were 10 motor vehicles registered in 1951.

CANADIAN WEEKLY BULLETIN



INFORMATION DIVISION
 DEPARTMENT OF EXTERNAL AFFAIRS
 OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

"PEACE WITH HONOUR": "As long as the policy of the United Nations in Korea continues to be based on a determination to hold back the aggressors from the north and at the same time to prevent the military action from bursting out into a full-fledged war, Canada will give that policy its full support, limited only by commitments elsewhere and the need for providing adequate defences at home." Prime Minister Louis S. St. Laurent said in addressing the Women's Canadian Club, Victoria, B C., on September 5.

"We recognize that the United Nations action took on a different aspect with the intervention of China," he proceeded. "To gain unification of the entire peninsula for the Koreans would now require such a large deployment of forces and energy that our defences against communist aggression elsewhere in the world would be seriously weakened. More important yet, the Chinese intervention has brought the risk of the Korean action developing into a full-scale war. If that were to happen - and we pray that it won't - our purpose for intervention in Korea in the first place - to punish aggression and by so doing to prevent a global war - would be defeated. For these reasons we favour a negotiated truce along the present battle-lines provided that it can be a 'peace with honour'.

"If a peace in Korea can be achieved that will give the South Koreans maximum security from future aggression, even though the unity of Korea may not be arranged, then the United Nations intervention will have accomplished its main aim - it will have turned back the aggressors.

"The accomplishment of that aim will have been made at a great sacrifice, not only by the participants in the United Nations forces but above all by the people of South Korea who have suffered indescribable losses in terms of human life and property. History, I know will do full justice to the heroism of the South Koreans and the United Nations forces who through their sacrifices have given a stern and bloody warning to potential aggressors of the future, a warning that unprovoked attacks will meet the resistance of not only the intended victim but of other freedom-loving nations.

"The United Nations has recognized that Korea will take many years to recover from its ugly war scars and has taken action to help its recovery. By a vote of the General Assembly in December 1950, it created the United Nations Korean Reconstruction Agency charged with the physical reconstruction of Korea. Canada endorsed this action and through its Government has contributed \$7,250,000 to the

(Continued on P. 3)

FIRST PRIZE FILM: The Minister of Labour, Mr. Milton F. Gregg, has announced that the newest Labour Department accident prevention film, "The Safety Supervisor", had won first prize in the "social problems category" at the world-wide Venice (Italy) Film Festival.

The Venice Festival is the oldest and probably the foremost international film competition, attracting entries from most of the major film producers in the world.

The film, which was produced for the Department of Labour by the National Film Board, is the sixth in a series entitled "Accidents Don't Happen" and deals with the position of the "safety supervisor" in the modern industrial plant.

This is the second time in three years that the Department of Labour and the National Film Board have shared the honour of winning an international competition with a safety picture.

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CIVIL DEFENCE CONFERENCE: A federal-provincial conference on Civil Defence Welfare Services is being held in Ottawa from September 9 to 13. This meeting is the first of its kind and is designed to study Civil Defence Welfare Services already developed and to explore future plans on federal, provincial and municipal levels. The conference includes many of the directors of Civil Defence Welfare Services from the larger centres across Canada, the provincial Civil Defence Welfare officers, and several directors of municipal public welfare departments.

Among the many questions to be discussed will be the development of Civil Defence Welfare Services in the United States; emergency Welfare Services in England during World War II; purpose of Welfare Services in Civil Defence; role of Welfare organizations and agencies; personnel required; mutual aid and mobile teams; recruiting, training and communications.

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STORE SALES UP 10 P.C.: Department store sales rose almost 10 per cent in value in July over the corresponding month last year, increases being recorded in all regions and all but one of the 30 departments. Inventories at the beginning of the month were down 18 per cent in value from a year earlier. Total value of sales for the month was \$59,848,000 as compared with \$54,449,000, and the value of inventories was \$181,515,000 as compared with \$221,326,000.

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SURVIVAL TRAINING SCHOOL: One of the RCAF's top Arctic experts, Flight Lieutenant Scott Alexander, of Vancouver, has been named officer commanding the RCAF's Survival Training School, with headquarters at Edmonton. Air Force headquarters has announced.

PAYROLLS AT PEAK: Employment in Canada's major industries was higher at the beginning of July than a month earlier, and slightly above July 1 last year. Payrolls advanced in both comparisons to reach the highest position on record, while average weekly wages and salaries showed a small decline in the month but were well above July 1, 1951.

The advance index number of employment, on the base of 1939=100, stood at 184.5 as compared with 182.5 at June 1 and 183.6 at July 1 last year. The payrolls index number rose to 423.5 from 420.3 at June 1 and 392.5 a year earlier, while weekly wages and salaries averaged \$53.90 compared with \$54.08 at June 1 and \$50.17 a year earlier.

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COMMERCIAL FAILURES: Continuing their post-war climb, commercial failures under the provisions of the Bankruptcy and Winding Up Acts rose in number in the first half of this year to 848, an increase of 17 per cent over the 723 recorded in the same period of 1951. Estimated liabilities were \$14,552,000 as compared with \$12,484,000, an increase of 16 per cent, the Bureau of Statistics has announced.

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NEW DWELLING UNITS: Starts on the construction of new dwelling units rose in June for the first time this year but were down eight per cent in the first six months as compared with last. Completions declined 27 per cent in the half year and were also down in June. The result was an overall decrease of 14 per cent in the number of dwellings in various stages of construction at the end of the month. Number of dwelling units on which construction was started in the six months of this year was 35,291 as compared with 38,465 in the same period of 1951.

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C-O-L INDEX: The Dominion Bureau of Statistics' cost-of-living index declined from 188.0 to 187.6 between July 2 and August 1, 1952, to place the index at the same level as July, 1951. The latest decline was due to lower prices for food, clothing and home-furnishings, which were partly offset by higher indexes for fuel and miscellaneous items.

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PRICE DECLINE: The Bureau's index for 30 industrial material prices at wholesale registered a further decline in August to 242.5 by the week of the 22nd from 248.2 for July 25th. Commodity decreases were scattered and included iron ore, bleached wood pulp, raw sugar, raw rubber, raw wool, steers, wheat, lead and zinc. Continuing firmness for the Canadian dollar in August was reflected in lower prices for both imports and exports.

(Continued from P, 1)

"PEACE WITH HONOUR"

Agency. In addition, numerous church and private Canadian organizations are making clothing and other donations for Korean relief through the Agency. While hostilities continue in Korea, the work of the Agency is of necessity limited, but arrangements have been made for it to take over complete control of reconstruction activities within 180 days after armistice terms have been agreed upon...."

Admittedly, he said, the Japanese Peace Treaty was a risk, "but it is a risk based on strong indications from the Japanese people that they desire peace and have foresworn their aggressive past." He went on to speak of trade with Japan as follows:-

"Foreign trade is even more important to the economy of Japan than it is to the economy of Canada, and all Canadians realize the great importance of our export markets to our prosperity. Japan is even more dependent on external trade than we are for unlike us she must import a high percentage of her food-stuffs, as well as most of the essential raw materials to maintain her industries. Our foreign trade is vital but we could maintain life, granted at a low standard, without it. The Japanese cannot. Deprived of trade many of the islands' 83,000,000 population would be condemned to death by starvation

GOOD CUSTOMER

"Japan has in the past been a good customer of Canada and most of her purchases have either been British Columbia products or were shipped from British Columbia ports. Last year that nation was our fourth best customer and purchased almost \$73,000,000 worth of Canadian goods. Provided that Japan can maintain a supply of dollars to make future purchases there is no reason why that trade should not continue to increase, for Japan needs the products of our mines, our forests and our grain fields to keep her industries rolling and her people fed.

"Part of Japan's ability to maintain her purchases from us will depend on our willingness to buy from her now that her source of dollars gained from American occupation forces will be reduced.

"In connection with our import trade with Japan, there have been suggestions in Canada recently that Japan is threatening to flood our markets with cheap goods. While Japan in the past has been accused of unfair trade practices such as dumping, there is good reason for believing that this will not be the case in the future. The preamble to the Peace Treaty which was ratified overwhelmingly by the Japanese Diet, states that it is Japan's intention 'in public and private trade and commerce to conform to internationally accepted fair practices'. If Japan adheres to that undertaking, I am sure that Canada will

not wish to place obstacles in the way of Japanese trade . . ."

"We Canadians maintain that we want to see a better standard of living for the masses of Asia and yet the protectionists among us, and they still exist, cry that we will be ruined by the competition of 'cheap foreign goods' on our domestic markets, although, of course, to them, cheap foreign raw materials are quite another matter. I tell you that if we really want to see the Japanese people and the people of India, Ceylon and Pakistan and the other countries of South East Asia, improve their standard of living then we must be prepared to buy our fair share of 'cheap foreign goods', goods that are not dumped on our markets at prices lower than those in their country of origin, but goods produced by workers with lower living standards than Canadian workers. By accepting a share of these cheaper goods we are helping to raise the living standard of the workers who made them and by raising their living standards we are also ultimately helping ourselves for we are gaining potential customers who will be able to buy more of what we have to sell

"Apart from the trade aspect of our relations with Japan, it is also in our best interests that democracy be strengthened and sustained in that nation.

CORDIAL RELATIONS

"Only if this comes about will the Japanese be able, as we want them to, to develop the kind of cordial relations with the really democratic peoples of the world which are so greatly in our own long-term interest.

After outlining the origin and purposes of the Colombo Plan and Canada's contributions thereto, he concluded:

"Peace and trade, these are the foundations of our Far Eastern policy as they are of our entire foreign policy. In Korea by counter force we are trying to hold back the flood of violence which threatens to engulf all of Asia. In Japan we are working for the restoration of normal diplomatic and trade relationships. And in South East Asia through the instrument of the Colombo Plan not only are we trying to provide wider commercial relations, but we are also fighting another Asiatic war against Communism in the interests of peace. this time with economic rather than military weapons.

"We Canadians know that in the struggle against Communism there are two useful weapons, the economic and the military. While we much prefer to use the economic weapons as we are in the Colombo Plan we know that we have no choice but to use the military weapons as we have been forced to do in Korea. And I feel sure that in the use of both these weapons we have not only the understanding and good-will of all the people of British Columbia but also their active and effective support."

BIG WHEAT EXPORT YEAR: Canada's exports of wheat and wheat flour in terms of wheat amounted to 356,100,000 bushels during the crop year 1951-52, second only to the record 407,600,000 exported in 1928-29. Exports of wheat as grain, at 304,700,000 bushels, were 65 per cent above the 1950-51 total of 185,000,000 and were exceeded only once before in the country's history when 354,400,000 bushels were exported in 1928-29. Preliminary data on 1951-52 exports of wheat flour in terms of wheat indicate a total of 51,300,000 bushels, eight per cent below the 1950-51 level of 55,900,000.

Monthly exports of wheat and wheat flour in terms of wheat during 1951-52 ranged from a low of 19,400,000 bushels in January to a high of 44,300,000 in June. Movement during the May-July quarter of the crop year was particularly heavy, with exports during each of the three months exceeding the 40-million bushel level. Overseas clearances of wheat, the major part of total exports of wheat and flour, ranged from a low of 12,100,000 bushels in December to 35,600,000 in May.

The United Kingdom continued as Canada's chief market for wheat and flour exports, taking approximately 36 per cent of the 1951-52 combined total. Exports of Canadian wheat as grain to the United Kingdom in the twelve months ending July 31, 1952 amounted to 108,800,000 bushels, representing 36 per cent of total wheat exports, while exports of flour in terms of wheat equivalent totalled 18,800,000 bushels. Comparable figures for 1950-51 were 78,100,000 and 23,400,000 bushels, respectively.

In addition to the United Kingdom, seven other countries purchased wheat as grain in amounts exceeding 10,000,000 bushels. These countries were: the United States, 38,700,000 (of which 7,300,000 were for milling in bond); India, 18,100,000; Japan, 16,500,000; Germany, 15,800,000; Belgium, 15,500,000; the Netherlands, 11,900,000; and Italy, 11,000,000. Altogether, 40 countries and crown colonies purchased Canadian wheat as grain during the crop year.

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AUTO SALES CLIMB: Sales of new motor vehicles continued to climb in July with dealers in all provinces selling more than in the corresponding month last year. During the month, 38,510 new vehicles were sold for \$95,079,016, an increase of 32 per cent in number and 28 per cent in value over the 29,260 new vehicles sold for \$74,538,594 in July, 1951.

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Although incorporated companies represent only 35.3 per cent of the establishments in Canada's manufacturing industry, they account for 88 per cent of the total number of employees.

FOREIGN SERVICE TRAINING: A four-month experiment in providing foreign service training for Royal Military College and University Canadian Officers Training Corps students ended last week with the return to Canada of the last seventeen cadets attached to the Hanover Headquarters of Canada's 27th Infantry Brigade.

A total of 74 third-year students from RMC and universities in the ten provinces took over jobs of active force officers in armoured, engineer, artillery, infantry, ordnance, service corps, medical corps, electrical and mechanical engineer, dental corps and chaplain corps units.

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CANADA AT W.M.O.: The Executive Committee of the World Meteorological Organization, a United Nations body, opened its meetings in Geneva, Switzerland, on September 6, to consider among other things, the provision of further aid in meteorology to underdeveloped countries and closer relationship with ICAO and other international organizations. Canada is represented at these meetings of WMO Executive by Mr. Andrew Thomson, Controller of the Meteorological Division of the Department of Transport. Mr. Thomson is also President of the North and Central American Region of the Organization.

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TRANS BORDER COMMERCIAL FLIGHTS: In keeping with the recently announced Canadian-United States policy regulating trans-border operation of non-scheduled flights by air carriers of either country, the Air Transport Board has approved the applications received from a number of United States commercial aviation firms to "transport persons and goods" from their home base to designated areas in Canada. In each case the permit is issued for a three year term and restriction is imposed to the transportation of traffic originating or terminating within a radius of fifty miles from the base of each carrier.

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FUR FARM PRODUCTION: The 1952-53 season will witness a sizable reduction in the pelt production of Canadian fur farms, according to estimates issued by the Dominion Bureau of Statistics. Output of standard silver and new type fox pelts is estimated at 23,700, 43.3 per cent below the 1951-52 season estimate of 40,800 pelts, while the production of standard and mutation mink pelts is estimated at 498,900, 5.2 per cent below the 1951-52 season estimate of 526,200.

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In 1951 the average monthly rental of dwellings in Ottawa was \$48, higher than in any other city except Toronto.

IRON, OIL, ALUMINUM, NICKEL: "The five ingredients that are making Canada a very favoured nation under Providence today are: iron, oil, aluminum, nickel and water," the Minister of Labour, Mr. Milton F. Gregg, said in an address to the International Association of Machinists at Kansas City on September 11. He proceeded, in part:

"The five major projects that are being harnessed to these ingredients are:

"1. The Seven Islands Railway stretching its steel fingers 350 miles north through Quebec to tap the vast iron deposits of the Labrador-Ungava hinterland. This is a joint U.S.-Canadian enterprise, and by 1954 the ore will be pouring down the railway to feed the steel mills of our two countries.

"2. The Red Water and Leduc oil fields of Alberta out of which flows the 'black gold' from sub-strata, yielding its power to serve the needs of a continent.

"3. The Kitimat development in Northern British Columbia which will give Canadian industry unchallenged leadership in aluminum production for the predictable future. Timber mills will follow aluminum into Kitimat. Under the coastal range hydro electric generators will be installed. At full capacity, these will yield two million horsepower, pouring through a ten-mile tunnel under the mountains.

"4. The Lynn Lake project 'North of 53' in the upper reaches of Manitoba. Here another railway is being pushed 160 miles across the northern muskeg to bring out the new production of nickel from a new refinery. These deposits, under the northern lakes and tundra, will give Canada clear title to the control of this essential metal. Adjacent to it, Northern Saskatchewan has its counter part to Lynn Lake in the uranium mines now being developed.

"5. The St. Lawrence seaway. Here is something so great in its economic impact that Canada would have liked to share it with its American neighbours. But we are now proceeding to develop it alone, for all this hydro power cannot be allowed to lie undeveloped any longer."

Touching on the present day mutual responsibilities of Canadians and Americans, he said:

"Within our respective countries new and exciting things are happening. It is vital that each should keep in touch with what is going on in the other.

"Because we are jointly the custodians of so great an inheritance, we have a tacit obligation in trust for ensuring the perpetuance of the freedoms under which we were born and grew in strength.

"So far, we are both trying to gear our defence production with our civilian economy and we are doing it successfully. In defence production, we are each of us following the sensible plan of producing for the common reserve what each of us can best produce.

"In so doing, we have confounded the Reds who thought we would both crack up either economically or politically under the strain..."

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SEAWAY PROGRESS: In his first public pronouncement since the United States Senate had failed, on June 18, to approve the Canada-United States Agreement of 1941 on the St. Lawrence Seaway project, the Minister of Transport, Mr. Lionel Chevrier, said on September 11 that "very considerable progress has been made which augurs well for the future" of both power and navigation development. Mr. Chevrier warned, however, that "it cannot be said the last obstacle in the realization of this vast project has been surmounted" but that if the International Joint Commission gives approval to the separate submissions from the Canadian and United States Governments on the power development, it would "enable the essential hydro-electric development to proceed without delay". He added that given assurance of this development, "Canada would construct the navigation canals."

In an address delivered to the Richelieu Club of Montreal, the Minister indicated that one of the greatest benefits which completion of the project would bring to the Province of Quebec would "undoubtedly be the stimulus it will give to the iron ore development in the Ungava district."

Referring to Montreal as "the very gateway to the new Waterway", Mr. Chevrier predicted this important port would be called upon to handle so much additional cargo as to require "a very substantial expansion of harbour facilities."

Consideration would also have to be given to the addition of another 5,000,000 bushels of elevator storage capacity in the near future, said the Minister and "in further anticipation of the Seaway opening, it is apparent that new unloading berths will be required to handle the large bulk carriers in place of the present canallers."

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AIRMEN TO LANGAR: Air Force Headquarters announced on September 12 the transfer of 25 Canadian airmen to the RCAF's newly formed Air Materiel Base at Langar, England. The group left Montreal that day aboard the "Empress of Canada" and is to serve an average of two years at the new supply base that will provide logistic support for the RCAF Fighter Squadrons earmarked for duty with the Air Division in Europe.

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R.M.C. GRADS IN KOREA: Twenty-one youthful Canadian officers who graduated from Royal Military College, Kingston, in May, now are serving in Korea with units of the 25th Canadian Infantry Brigade. Four more are expected to arrive in Korea in September.

MANUFACTURERS' INVENTORIES: Value of inventories held by Canadian manufacturers at the end of June was \$3,479,000,000, down slightly from the May figure of \$3,480,200,000, but up 5.6 per cent over last year's value of \$3,293,700,000, according to the Dominion Bureau of Statistics.

In index terms, June inventories were 186.9 per cent of the average 1947 value as compared with 187.0 at the end of May, and 176.9 at the end of June last year. The index for total shipments was 186.9 as against 188.8 a month earlier, and 183.6 a year ago.

A compilation of total outstanding orders at the end of May for approximately 900 plants in 65 industries shows a level of unfilled orders equal to 4.7 times the May shipment values for reporting firms, a drop of 9.6 per cent from the preceding month. The preliminary outstanding orders index at the end of June was 94.0 per cent of the January, 1952 base value for these same establishments, a drop of about three per cent from May.

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CENSUS ANALYSIS: In 1951, 67.8 per cent of Canada's 7,088,873 male citizens and 69 per cent of its 6,920,556 female citizens were under 40 years of age, according to final 1951 Census figures on population by five-year age groups and sex, released by the Dominion Bureau of Statistics. In 1941, 68.1 per cent of the nation's 5,900,536 males and 69.6 per cent of its 5,606,119 females were under 40.

The 0-4 group, largest of the five-year age groups in 1951, accounted for 12.4 per cent of the male population and 12.2 per cent of the female population. In 1941 this group was third largest in size and represented nine per cent of the male population and 9.2 per cent of the female population. Second largest group in 1951 was 5-9 years, accounting for 10.1 per cent of the male population and 9.9 per cent of the female total. The 10-14 group accounted for the third largest proportion (8.1 per cent) of males in 1951, and the 25-29 group the third largest proportion (8.4 per cent) of females.

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LARGER SEA HARVEST: Canada's sea fisheries yielded 159,721,000 pounds of fish in July ... 30 per cent larger than in the corresponding month last year. The initial value was \$13,015,000, up 18 per cent from last year. In the first seven months of this year the catch amounted to 761,804,000 pounds valued at \$40,318,000, as compared with 651,389,000 pounds at \$35,914,000 in the similar period of 1951.

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A 10-volume report containing scores of recommendations for the future development of health services in Quebec has been completed by a provincial health survey committee.

OPENINGS FOR UNIVERSITY MEN: During the spring and early summer of 1952, Canadian industry had produced openings for almost every university graduate who sought employment, in addition to summer employment for practically every undergraduate who wanted it, the Department of Labour has announced.

A report of the Executive and Professional Division of the National Employment Service disclosed that almost 19,000 employment opportunities were recorded from all sources. Of this number, 5,500 were for university graduates and the remainder, temporary summer jobs for undergraduates.

As in the previous year, the heaviest demand for graduates was in the engineering field with openings for more than 2,200, while the graduating class of engineers in 1952 numbered only 1,750.

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BILINGUAL INSTRUCTORS: French-speaking Canadians will have better opportunities to serve and qualify for employment in any corps of the Army as a result of a new training policy announced by the Army's Directorate of Military Training.

Under the new scheme recruits who speak French only will receive their basic and corps training at the Canadian Army Training School at Valcartier, Quebec. When the men have completed this training, they will be posted to corps schools or units for corps instruction and future employment. Infantry recruits will continue to be trained, as previously, at infantry units.

At the corps schools, training will be conducted in English but bilingual instructors will give instruction in French to those who have difficulty with English.

* * * *

JULY EXPORTS \$371,000,000: Canada's domestic exports continued at a high level in July, totalling \$371,000,000 in value compared with \$374,500,000 in the corresponding month last year. The lower value was due to lower export prices than prevailed in July, 1951, the volume showing a rise of almost two per cent over the previous year's mark.

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2,872,343 MOTOR VEHICLES. Registrations of motor vehicles of all kinds in the ten provinces totalled 2,872,343 in 1951, an increase of 272,074 or 10.5 per cent over the 1950 total of 2,600,269 and an all-time peak, according to a preliminary summary of provincial figures by the Dominion Bureau of Statistics. The 1951 increase followed gains over the preceding years of 13.5 per cent in 1950 and 12.6 per cent in 1949 and brought the total increase since 1945 to nearly 92 per cent.

GOVERNMENT



OF CANADA

CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
 DEPARTMENT OF EXTERNAL AFFAIRS
 OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

"HOW IS NATO DOING?": "NATO... is now the strongest shield we have against aggressive attack, and, before too long, it will provide the protection which may make possible the negotiation with some chance of success of the differences that now so dangerously divide the world," (the Secretary of State for External Affairs, Mr. L.B. Pearson, said in addressing the Directors' Luncheon, on International and Health Day, at the Canadian National Exhibition, in Toronto, on September 2.

Speaking on the subject, "How Is NATO Doing," he proceeded, in part, as follows:

"The danger to peace and the threat to freedom remain as immediate and as menacing as ever. There may be an easing of the situation here or a deterioration there; in Western Europe some of the feeling of imminent crisis and danger has disappeared; in Asia it has increased. But the menace of Soviet Imperialism exploiting the doctrine of revolutionary communism with its conscious agents in the members of every communist party in the world, including the one in Canada, that menace remains. We should never forget for one moment that we are facing the cruellest, most powerful, best organized conspiracy in all history. But this doesn't mean that the conspiracy will inevitably erupt in World War Three. It may or it may not. The decision is not primarily and directly in the hands of the free world. It is in the minds of the conspirators of

Moscow. Our duty - we who are free - is to do what we can to convince them that if they make the wrong decision they will meet a powerful and united resistance by the free world, and one which gives them no chance of success. By so doing, we can influence powerfully the decision against aggressive military action.

"This organization of resistance to aggression should be, and one day, we must hope, will be through the United Nations. At the moment, this is not possible and so today our most effective agency for building up our collective strength to preserve the peace is NATO....

"It is, of course, easy and wishful to comfort ourselves by merely repeating that everything is fine with NATO, in its defence of the peace and its promise for the future. This, however, is not good enough. Continuous and vigilant examination of the operations of representative and executive international bodies is as important as it is in the case of national governmental agencies. NATO, subjected to such an examination - and this is being done continuously by the member governments - gives no reason for complacency or complete satisfaction.

"On the other hand, it gives no ground for despair or exaggerated pessimism or for revising our view that the establishment and the progress of this coalition is a major achievement in the history of our times and that its

(Continued on P. 4)

LABOUR DAY MESSAGE: No new factor has appeared in the international scene to suggest that defence efforts can be cut back, the Minister of Labour, Mr. Milton F. Gregg, declared in a Labour Day message

He said:

"If it were possible to isolate our thoughts from international affairs, Labour Day, 1952, would indeed be a day of high optimism for all of us in Canada. If our future could be judged merely on the basis of our industrial expansion, our resource development and our social advances, it might appear that we were about to enter a golden era.

"However, world events are not of such a nature that they can be ignored. So, as we review the period since last Labour Day and try to anticipate what the next 12 months hold for us, we are conscious of the fact that the best we can hope for is another year of international high tension, and the unnatural pressures inherent in a situation where a defence programme must be carried on top of an active peacetime economy.

INFLATION DANGER

"This state of affairs, it has been demonstrated during the past year, can exist, however, without major disruptions appearing in the economy and without serious frustrations of our development. But we must not become complacent. No new factor has appeared in the international scene to suggest our defence efforts could be cut back. Although prices seem to give indication of stabilizing and in some cases seeking lower levels, the danger of inflation is still present, and will remain as long as there are abnormal defence demands on our national product.

"No one knows what the coming months will bring, but of one thing we can be certain a continuance of the spirit of responsibility and cooperation on the part of the two great partners in production will be essential if we are to maintain our high living standards and at the same time increase our military strength.

"That the Canadian worker will continue to accept his full share of this responsibility as in the past, is a foregone conclusion. He knows better than most, the implications of the present world-wide struggle for during the last 20 years the labour movement has been the first institution to be attacked by the enemies of democracy and freedom..."

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NEWSCAST TO FAR EAST: The CBC started last week a shortwave transmission of a 20 minute daily newscast beamed over their international service from Sackville, N.B., by way of Australia to Canadian servicemen in Japan and Korea. The newscast started officially on August 25. Preliminary tests on transmission and reception had been under way for several weeks.

In order to get Canadian news promptly to servicemen in the Far East, the Australian Broadcasting Company picks up the CBC shortwave transmission and relays it to radio stations in Japan and Korea for rebroadcast. It is expected that stations in Tokyo, Kure and the Crown Radio Station of the Commonwealth Division in Korea will carry the news.

The 20-minute programme is Canadian throughout and concludes with the playing of "O Canada" and "God Save The Queen."

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WHOLESALE PRICES INDEX: Canada's general index of wholesale prices dropped one point in July to 225.5 from the June figure of 226.5, the Dominion Bureau of Statistics reported on August 28. Occasioned by decreases in the vegetable, textile, wood and chemical products groups which outweighed increases in animal products, non-ferrous metals and non-metallic minerals, the 0.4 per cent drop followed a June increase of 1.7 points or 0.8 per cent that reversed the downward trend begun last July.

At the new standing, the general index (which is reckoned on the base of 1935-39) remained above the May figure of 224.8 but was 18.2 points or 7.5 per cent below the figure for last July when the index reached the all-time peak of 243.7.

Largest decrease during the month among the group indexes was in the price index of vegetable products, which dropped 1.9 per cent from 212.2 to 208.1.

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JULY FOREIGN TRADE: A summary of foreign trade figures for July released by the Dominion Bureau of Statistics shows a small decline in the value of Canada's total domestic exports to \$371,000,000 from \$374,500,000 in July last year and a drop in estimated total imports to \$342,900,000 from \$370,600,000.

Domestic exports to the United States declined to \$188,600,000 from \$201,900,000, and to the United Kingdom to \$68,800,000 from \$73,900,000. Estimated imports from the United States rose to \$247,500,000 from \$234,700,000, but from the United Kingdom declined to \$34,000,000 from \$43,300,000.

The July import figures are preliminary.

* * * *

VEHICLE ENTRIES SET RECORD: Foreign vehicles entering Canada on traveller's vehicle permits in July totalled 501,174 -- a new high for the month -- as compared with 489,058 in July last year. Cumulative entries for the first seven months of this year were 1,219,169, up five per cent over last year's corresponding total of 1,156,751. Traffic was heavier in all parts of the country both in the month and seven-month period.

FOUR MONTHS' BUDGETARY SURPLUS \$334.9 MILLION

MINISTER'S STATEMENT: The Minister of Finance, Mr. Douglas Abbott, released on August 30 the statement of the Comptroller of the Treasury on revenues and expenditures of the Government for July and the first four months of the current fiscal year announcing a budgetary surplus for the first four months of \$334.9 million.

The statement points out: "Had defence expenditures during these four months equalled the monthly average expenditures for which provision was made in the Estimates, there would have been required an additional \$268.6 million for this purpose alone and the budgetary surplus would thereby have been reduced to \$66.3 million."

The analysis of revenues and expenditures read, in part, as follows:

"Budgetary revenues continue buoyant and in line with the budget forecast. With a third of the fiscal year gone, collections to date are just over 32% of the total forecast for the year as a whole. As usual, however, budgetary expenditures are not yet running at their anticipated average level for the year. Their total for the first four months is only 24% of the \$4,270 million total forecast in the budget for the year as a whole. Last year at the same date there had been expended 23% of total expenditures for the year and in each of the last four or five years the first third of the year has accounted for only about a quarter of the year's total expenditures.

"For July, budgetary revenues totalled \$380.4 million, an increase of \$44.1 million over those for July 1951. Individual income tax receipts were up by \$34.1 million, corporation income tax collections by \$12.5 million, customs import duties by \$3.4 million and excise duties by \$5.3 million. Excise taxes decreased by \$10.8 million, due to the

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LABOUR INCOME RECORD: Canadian wage and salary earners collectively reaped the biggest cash harvest in the nation's history during May, according to the monthly estimate of labour income issued August 29 by the Dominion Bureau of Statistics. The estimated May total of wages, salaries and supplementary labour income topped the April figure of \$854,000,000 by \$22,000,000 to reach a new peak of \$876,000,000, some \$19,000,000 above the previous high of \$857,000,000 chalked up in November, 1951.

The May jump reversed a declining rate of increase in the three previous months. The country's total labour income advanced by \$13,000,000 in February, \$6,000,000 in March and \$2,000,000 in April. January witnessed a \$4,000,000 drop in the total. The record May figure brought the cumulative labour income for the first five months of 1952 to \$4,261,-

fact that while in 1951 the whole of the 10% sales tax was credited to budgetary revenues, in 1952 only 8% was so credited, the remaining 2% going into the Old Age Security Fund.

"For the first four months of the fiscal year budgetary revenues amounted to \$1,376.8 million compared with \$1,203 million in the comparable period of 1951.

"Budgetary expenditures during July amounted to \$307.9 million, an increase of \$29.6 million over July 1951. For the first four months of the fiscal year they aggregated \$1,041.8 million, or an increase of \$179.8 million over 1951.

"The increase of \$29.4 million in defence expenditures (that is, in the expenditures of the Departments of National Defence and Defence Production) to a total figure of \$133.6 million in July, was almost exactly equal to the increase in total budgetary expenditures for that month. For the first four months of the fiscal year these defence expenditures have averaged \$109.9 million per month. This is substantially below the monthly average expenditure of \$177.1 million for which the total funds voted by Parliament for these two Departments for the fiscal year made provision.

"Total tax rental payments to Provinces under the old and the new rental agreements are also so far substantially below the proportionate part of what their total for the year is likely to be ...

"As the figures indicate, the excess of budgetary revenues over budgetary expenditures amounted to \$72.4 million in July, 1952 compared with \$57.9 million in July 1951, and to \$334.9 million for the first four months of the current fiscal year compared with \$341 million in the corresponding part of the previous fiscal year..."

000,000, some \$498,000,000 above the \$3,763,000,000 total for the like period of last year. Despite time losses due to industrial disputes, labour income in May was \$84,000,000 or more than 10.5 per cent greater than the May, 1951 total of \$792,000,000.

The month saw advances in total wages and salaries in all major industrial groups. With the exception of manufacturing, percentage increases were sizeable, ranging from a 1.8 per cent gain from \$218,000,000 to \$222,000,000 for the utilities, transportation, communication, storage and trade group, to a 9.1 per cent gain from \$66,000,000 to \$72,000,000 for the construction group.

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Canada had 1,611,759 residential telephones at last count, and 813,352 business telephones.

(Continued from P.1)

"HOW IS NATO DOING?"

growing strength and, equally important, its unity of purpose and action is the strongest deterrent against aggression at the present time. When we hear criticisms that NATO is concentrating too much on military defence and not enough on building the Atlantic community we should remember that to Moscow and its satellites and slaves, NATO stands as the greatest obstacle - by its unity as much as its strength - to the achievement of their aggressive ambitions. Against it they have levelled their biggest guns of abuse and attack.

"Of course, NATO is still far from perfect as an agency for international co-operation between its members. In the short period of its existence, it has not managed to make as much progress as we would like in the field of economic and social and political integration. But this - in contrast to the defence job - is a long-range programme and no one who has examined the matter seriously has ever had any illusions about the time and effort that would be required to realize our oft-repeated statement that NATO must be more than a military alliance. The impatience of well meaning people because the course of national historical development has not been reversed overnight at times makes me impatient. Nor do I believe that the Kremlin and all it stands for has yet made it possible or wise for NATO to convert some of its shields into ploughshares.

ECONOMIC RELATIONSHIPS

"Admittedly, political and social co-operation among NATO's members must be pursued and progress must be made here if the coalition is to be strong and enduring. This applies also to trade and economic relationships. Defence co-operation and economic conflict are difficult to reconcile. It should, in fact, be a first objective of the NATO members to reduce and remove the obstacles to the freest possible trade between themselves and, equally important, between themselves and the rest of the free world. A restrictive and controlled trading area within NATO would put a great strain on the cohesion and unity of the group for other purposes. Equally unfortunate would be the adoption of such ring-fence policies as the basis of the relationship between NATO countries and other free democracies. When we talk about developing and strengthening NATO economic co-operation we do not, I hope, mean that kind of co-operation

"The most urgent and immediate problem however, remains defence against aggression. This should - I am myself convinced - still be given first priority over other NATO plans - all the more because it embodies a short-term objective. We have the right to hope that when this objective is reached - but only then - we can devote more of our NATO time, energy and resources to constructive non-military pol-

icies which can be pursued while we maintain the level of defensive strength necessary until international political developments make its reduction possible. And 'maintaining' should not require as great an effort as 'building'.

"NATO's strength has been steadily increasing. Canada by sending a Brigade Group and fighter squadrons overseas has contributed to that increase and thereby to the strengthening of our hope for peace. Not only have NATO forces under arms been increased, essential airfields are being constructed and put into use. training programmes have been got under way. Communications services and other facilities are being developed and modern equipment is now coming from the assembly lines. Finally, a supreme command for all NATO forces in Europe has been organised. If the worst should happen, and war be forced on us - because that is the only way it could come about - NATO forces in Europe could now give a much better account of themselves than they could a year ago. But they are not yet strong enough to give assurance that the initial assault could be successfully resisted. NATO members - especially the European members - have the right to that assurance, all the more because in the military and strategic and technical circumstances of today the land defence against and the air counter-attack to the initial assault may be decisive. Forces in being and the power immediately in reserve may decide the issue.

DEFENCE REQUIREMENTS.

"The minimum defence required to meet such an initial shock was agreed on at Lisbon, though there can never be fixed and final decisions in these matters. The Lisbon programme was not one that could, I think, fairly be attacked as militaristic, or unrealistic, having regard to the danger which made defence necessary. Furthermore, it was a firm programme for 1952 only, the figures for 1953 and 1954 were for planning purposes only, subject to revision later in the light of political and economic considerations.

"Fulfillment of this 1952 Lisbon programme has not been easy. Some unforeseen shortages in equipment have developed. Some members have encountered more serious economic and financial difficulties than expected. But every member is making an honest effort to meet its objective by the end of the year and I think that substantial success will have been achieved by that time....

"As to the future, we must as a first necessity bring to 100% completion the Lisbon 1952 programme as quickly as possible. That is a minimum requirement. Beyond that, the NATO agencies are already examining the position with a view to making proposals - and there could be no more difficult task than this - which will reconcile risks requirements and resources. When this review is completed -

late this year - decisions - vitally important decisions - will again have to be taken by governments through their ministerial representatives on the NATO Council.

"Those decisions will have to balance military, economic and political factors. This is about the most difficult balancing act in history and I have no illusions that the result will satisfy everyone. There will be those who will say that we are taking criminal risks in accepting inadequate force targets and in our slow timing. There are others who will argue that we are playing the communist game by accepting military demands to impose on some at least of the member states crushing burdens which will create economic distress and social division and which are not justified by the threat to peace which faces us

"I suppose the best solution will be found as is so often the case - somewhere between these extreme views.

"Certainly this is no time to panic into extreme and unbalanced military preparedness. But it is also no time to relax the necessary effort we have begun or to deceive ourselves that the crisis has passed. Such self-deception is all the easier as the bills for protection come in and are reflected in our taxes.

"NATO by its resolve, its unity and its growing power is now the strongest shield we have against aggressive attack, and before too long, it will provide the protection which may make possible the negotiation with some chance of success of the differences that now so dangerously divide the world.

"This, then, is no time to falter or to hesitate, but one for determined and intelligent effort to finish the immediate job ahead of us. Then - but only then - can we look forward to a peace which means more than the absence of declared war - and progress which means more than better bombs and bigger guns."

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FORESTRY CONFERENCE: Delegates to the Sixth British Commonwealth Forestry Conference returned to Ottawa on August 29, from a 3000-mile field trip that had taken them to federal and provincial forestry stations in Ontario and Quebec and through some of the finest scenery in both Provinces. On September 1, they started working a six-day week until the Conference closes on September 13. Many of them will then go as far west as British Columbia, stopping on the way for brief visits in Manitoba, Saskatchewan and Alberta.

The first three days in Ottawa were spent largely in electing an executive and setting up working committees.

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The gross value of the production of Canada's clothing industries amounted to \$734,214,334 in 1950, \$6,715,498 more than the 1949 total of \$727,498,836.

E.A. PROMOTIONS: The Department of External Affairs announced on September 2 that two vacancies created in the establishment of the Department by the appointments of Mr. Escott Reid as High Commissioner to India and of Mr. H.O. Moran as Ambassador to Turkey will be filled by the promotions to Assistant Under-Secretary of State for External Affairs of Mr. R.A. MacKay and Mr. R.M. Macdonnell.

Mr. MacKay, who has been head of the Defence Liaison Division of the Department since 1949, was born in Victoria County, Ont., on January 2, 1894 and studied at Toronto and Princeton Universities. He served in the Canadian Army during World War I, was Professor of Political Science at Dalhousie University, 1927-43 and is a Fellow of the Royal Society of Canada. He was a member of the Royal Commission on Dominion-Provincial Relations, 1937-40.

Mr. MacKay joined the Department as Special Assistant to the Under-Secretary of State for External Affairs in August, 1943, and was appointed head of the Commonwealth Division, 1947. He attended the Meeting of Commonwealth Prime Ministers, London, 1949, as adviser to the Secretary of State for External Affairs. He has attended international conferences including sessions of the North Atlantic Council, London, 1950; Ottawa, 1951 and Rome, 1951. He is the member for External Affairs on the Canada-United States Permanent Joint Board on Defence.

Mr. Macdonnell, who recently returned from Paris where he served as Minister of the Canadian Embassy from January, 1950, was born in Vernon, B.C., on May 11, 1909. He attended Manitoba and Oxford Universities, 1925-32. Mr. Macdonnell joined the Department in 1934, served at the Canadian Legations in Washington, 1935, and in Kuibyshev, 1943. He attended the International Civil Aviation Conference, Chicago, 1944, the Interim Council of PICAQ, Montreal, 1945, the Canada-United States Conference on Conservation of Fisheries Resources of the Great Lakes, Ottawa, 1945, the Joint Canada-United States Committee on Customs Procedures, Washington, 1946, the Second Session of the United Nations General Assembly, New York, 1946, the Fourth Session, Paris, 1948, and the Sixth Session, Paris, 1951, the General Council of IRO, Geneva, 1949.

Mr. Macdonnell was appointed head of the Department's Third Political Division in 1945 and was posted as Chargé d'Affaires, a.i. to the Canadian Legation, Prague, 1947, where he served until his appointment to Paris.

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The single-detached house is the predominant type of dwelling in all provinces of Canada except Quebec.

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The total farm value of Canada's 1951 tobacco crop was \$66,213,000.

PIPED OIL FLOW AT PEAK: A net average of 302,091 barrels of oil flowed out of Canadian pipe lines each day during May. This was the first time a daily average of 300,000 barrels for all lines had been reached and represented an increase of almost 30 per cent over the 232,868 barrels per day delivered in April, and an increase of 16.6 per cent over the May 1951 daily average of 258,987 barrels.

May deliveries were a net 9,364,821 barrels, 2,378,790 greater than the April total of 6,986,031 and 1,336,209 barrels over the May, 1951 movement. Net deliveries in the first five months of 1952 totalled 36,852,478 barrels, an increase of 18.3 per cent over last year's corresponding total of 31,139,232 barrels.

All provinces showed increases over the net deliveries made in May a year ago with Manitoba leading the way with a 52 per cent gain. The deliveries in the several provinces were as follows, with May, 1951 figures in brackets: Alberta, 1,311,695 (1,151,451) barrels; Saskatchewan, 797,559 (755,153); Manitoba, 3,064,186 (2,016,573); and Quebec, 4,191,381 (4,105,435)

For the first time this year Alberta oil flowed into the Canadian pipe lines system in greater volume than imported crude. A net total of 5,048,182 barrels of Alberta crude entered the pipe lines during May compared with 4,148,328 barrels of imported crude. In May, 1951 the inflow of Alberta oil was 4,051,886 barrels as against imports totalling 4,124,868 barrels.

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RAIL REVENUES, COSTS AT PEAK: Canadian railways had operating revenues of \$99,814,023 in May, the largest monthly total in railway history. This was \$7,381,583 or eight per cent higher than in the corresponding month last year and \$19,451,707 or 24 per cent above May, 1950. However, operating expenses, attuned to higher material prices and wage rates, continued to rise steadily to reach a new peak of \$89,523,189 for May, an advance of \$5,980,098

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or 7.2 per cent over the same month last year and 26.6 per cent above May, 1950. Net operating revenues improved \$1,401,485 over May, 1951 but increased taxes and equipment rentals pared this gain to \$475,404 with operating income at \$5,538,256 against \$5,062,852.

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STORE SALES UP 18.4 P.C.: Department store sales rose by an estimated 18.4 per cent during the week ending August 23 as compared with the corresponding week last year, according to preliminary figures. Gains were recorded in all provinces, sales in the Maritimes advancing 39.9 per cent, Quebec 18.0 per cent, Ontario 20.9 per cent, Manitoba 4.7 per cent, Saskatchewan 11.8 per cent, Alberta 13.7 per cent, and British Columbia 19.7 per cent.

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According to the 1951 Census, 67 per cent of Canada's 14,009,429 people spoke only English, 29.6 per cent spoke only French, 12.3 per cent were bilingual and 1.1 per cent spoke neither English nor French at June 1 of that year.

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While individually owned concerns represent 46 per cent of the establishments in Canada's manufacturing industry, they account for only seven per cent of the total number of employees.

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The gross value of production of the lumber industry in the interior of British Columbia totalled \$60,218,046 in 1950 or nearly 48 per cent above 1949's output value of \$40,760,816.

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Quebec accounted for all of the Canadian production of cigar and pipe tobaccos in 1951.

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There were 684 general hospitals in Canada in 1950.



CANADIAN WEEKLY BULLETIN

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 DEPARTMENT OF EXTERNAL AFFAIRS
 OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

TRADE BALANCE \$164,400,000: Canada had a credit balance of \$164,400,000 on her foreign trade with all countries in the first half of this year in marked contrast to a debit balance of \$339,800,000 in the corresponding period last year. June trade produced a credit balance of \$54,600,000 against a debit balance of \$44,600,000 a year earlier.

Domestic exports soared in the half year to a record value of \$2,089,600,000 as compared with \$1,740,200,000 in the similar period of 1951, while merchandise imports were down to \$1,950,300,000 from last year's record half-year value of \$2,102,400,000. Foreign exports increased to \$25,100,000 from \$22,400,000, the Dominion Bureau of Statistics reported on August 26.

Changes from 1951 were greatly influenced by world price movements. Average prices paid for imports were nine per cent lower in the first half of 1952 than in the 1951 period, while prices received for exports averaged 2.5 per cent higher. In the first half of 1951 Canada's exports had only 95 per cent of the power to purchase imports that they had in 1948; in the first half of 1952 their purchasing power was greater by seven per cent than in 1948. This improvement of almost 13 per cent in the terms of trade made a major

contribution to the sharp change in the half-year trade balance.

In spite of their lower value, the volume of Canada's imports was some two per cent greater than in the first half of 1951. The lower import value was due to lower prices of such commodities as wool and rubber, and to the higher exchange value of the Canadian dollar, which appreciated on the world market by some six per cent. The increase in the value of exports was almost entirely due to a 17 per cent increase in export volume. The volume of both exports and imports was greater in the first half of 1952 than in the first half of any previous post-war year.

For the month of June alone domestic exports were \$374,800,000 as opposed to \$312,500,000 in June, 1951. Their volume was 22 per cent greater than a year ago, while export prices were slightly below those of the preceding month and of June, 1951. The value of imports dropped to \$324,300,000 from \$386,000,000 in May, 1952, and \$360,400,000 in June, 1951. Import prices averaged almost 16 per cent below their peak of June, 1951, and were slightly below the May, 1952 level. Import volume was lower than the May, 1952 peak, but remained almost seven per cent above the June, 1951 level.

(Continued on P. 6)

CANADIAN POST-WAR FINANCIAL ASSISTANCE

INTERNATIONAL BANK: Canadian financial assistance to other countries since the war is summarized in the following table issued recently by the Department of Finance. Canada

also has made substantial contributions to the International Bank for Reconstruction and Development and details are given in one of the Bank's Press Releases which is printed below.

Canadian Post-War Financial Assistance Abroad to
March 31, 1952.

		(Millions of dollars)	
1.	<u>Credit Utilized</u>		
	(a) Loan to the U.K., 1946		1,185.0
	(b) Loans under The Export Credits Insurance Act.		
	<u>Direct Credits:</u>		
	Belgium	68.8	
	China	52.2	
	Czechoslovakia	16.7	
	France	253.4	
	Netherlands	123.9	
	Indonesia	15.5	
	Norway	23.7	
	U.S.S.R.	2.9	557.1
	<u>Guaranteed Credits:</u>		
	In respect of Canadian Bank Loans to a Chinese Industrial Corporation	12.8	568.9
	(c) Loans in respect of post-war interim advances to the U.S.S.R.		9.0 1,763.9
2.	<u>Grants</u>		
	(a) Military Relief ..		
	Northwestern Europe (France, Belgium, Netherlands, Norway, Denmark, Luxembourg)		64.0
	Italy		28.3
	Balkans		3.3 95.6
	(b) Contributions to U.N. Agencies and Programmes -		
	UNRRA		154.0
	Post-UNRRA Relief		12.1
	IRO		18.8
	UNICEF		7.4
	UNKRA		7.3
	Arab Refugees		2.6
	Technical Assistance		.9 203.1
	(c) Colombo Plan-		
	Capital Assistance: India	15.0	
	Pakistan	10.0	25.0
	Technical Co-operation (India, Pakistan and Ceylon)		.3 25.3
	(d) Gift of Wheat to Greece through the Canadian Red Cross		.8
	(e) NATO: Mutual Aid (Transfers from Canadian stocks, new production items and NATO aircrew training)		321.8
	Canada's share of NATO expenditures financed in common by NATO members		3.5 325.3
		TOTAL	<u>2,414.0</u>

The Government of Canada has released Canadian \$41 million from its capital subscription to the International Bank for Reconstruction and Development, for use in the Bank's lending operations. The Canadian dollar is freely convertible and the Bank may use these funds to finance purchases by its borrowers both in Canadian dollar and in other currencies.

This release, together with previous releases of Canadian \$17.5 million, means that Canada has now made available to the Bank the whole of her original Canadian dollar subscription to the Bank's capital, amounting to Can. \$58.5 million.

Eugene R. Black, President of the Bank, in commenting on the Canadian Government's action said that Canada has always co-operated to the fullest extent possible in the work of the International Bank.

"The extent of this co-operation," Mr. Black declared, "is indicated by this release and also by the fact that in February, 1952 Canada permitted the Bank to offer an issue of \$15,000,000 Ten-Year Canadian dollar bonds in her investment market." The offering, he recalled, was successful; the Bank's bonds were purchased widely throughout Canada by institutional investors and by individuals.

CAPITAL SHARES

On becoming a member of the Bank, Canada subscribed to 3,250 capital shares valued at \$325,000,000 United States dollars. As required by the Articles of Agreement of the Bank, Canada paid in 2% (U.S. \$6,500,000) of its subscription in United States dollars or gold, and 18% (U.S. \$58,500,000) in Canadian dollars. Under the Bank's Articles of Agreement, 80% of a member Government's capital subscription is not paid in, but is subject to call if needed to meet obligations sold or guaranteed by the Bank; in Canada's case, this 80% is equivalent to U.S. \$260,000,000.

The 2% paid by Canada to the Bank in gold or dollars is, in accordance with the Articles of Agreement, freely usable in all operations including loans. The Articles of Agreement, however, provide that the 18% paid in Canadian dollars can be used by the Bank for lending only with the consent of the Canadian Government.

Canada was one of the first member countries to make a substantial amount of its currency available to the Bank. Its first release was made on December 7, 1948, later releases were made on March 4, 1950 and on May 11, 1951.

On February 20, 1952, Canada further increased the availability of her currency to the Bank, by granting permission to the Bank to re-lend any Canadian dollars repaid on loans that had been financed, in whole or in part, with Canadian dollars derived from paid-in capital. The Bank has also been able to re-

plenish Canadian dollars lent from capital by the sale of Can. \$3,400,000 Canadian dollar bonds received in connection with its loans to Brazilian Traction, Light & Power Company, Ltd.

With the release of the full amount of Canada's original 18% payment, total funds made available for lending by the Bank from its capital are equivalent to U.S. \$829,861,584 divided as follows: \$165,475,000 from the 2% paid-in gold or United States dollars; \$571,500,000 representing the entire 18% payment of the United States; and the equivalent of \$92,880,534 representing release of all or a part of their 18% payments by various other countries.

Next to the United States, Canada has put the largest amount of capital at the disposal of the Bank for loans. The third largest release of currency has been made by the Government of France, which has made francs equivalent to U.S. \$24,400,000 available to the Bank. The equivalent of \$12,000,000 of these francs are being used in connection with the Bank's \$27,200,000 loan to Pakistan, while the proceeds of a \$28,000,000 loan to Yugoslavia includes \$11,000,000 in French francs. Iceland, Brazil, Chile and Turkey will benefit from the remaining \$1,400,000 in francs released to date.

OTHER COUNTRIES

A number of other countries have released in part their payments in their own currencies to the Bank's capital. Of these, the Bank has used the following in its lending operations: Belgian francs, British pounds, Danish kroner, Italian lire, Norwegian kroner, and Swedish kroner

Under the Bank's loans Canada has supplied heavy equipment for development projects in nine of the Bank's member countries. As of March 31, 1952, the Bank's borrowers had bought in Canada capital goods valued at Can. \$41,298,000. The Bank purchased with United States dollars the Canadian dollars that were not available in its own holdings.

Brazilian Traction, Light & Power Company, Ltd., bought equipment for the generation and distribution of electric power valued at Can. \$19,944,000; Mexico bought similar equipment costing Can. \$2,398,000; India bought railway locomotives and railway equipment costing Can. \$11,955,000; Australia bought locomotives and agricultural machinery at a cost of Can. \$3,407,000; and the Netherlands spent Can. \$2,724,000 for timber for use in export packing and in housing.

Additional small amounts of Canadian dollars supplied by International Bank loans were spent in Canada by Colombia, Denmark, El Salvador and Finland. Among the items purchased by those countries were agricultural machinery, electric power transmission cables and wood-working machinery.

LANGUAGE CENSUS: In the decade between 1941 and 1951 the number of Canadians who speak only English increased by 1,651,912 or about 21 per cent from 7,735,486 to 9,387,398, while the number of Canadians who speak only French rose by 560,066 or 26 per cent from 2,181,746 to 2,741,812, according to a special compilation by the Dominion Bureau of Statistics of final 1951 Census totals of population by official language and mother tongue for provinces, counties, census divisions and cities, towns and incorporated villages of 5,000 population and over. At the same time, the number of citizens who speak both English and French increased by 253,435 or 17 per cent from 1,474,009 to 1,727,444, and the number who speak neither English nor French by 37,361 or 32 per cent from 115,414 to 152,775.

Of the nation's total population of 14,009,429, 67 per cent spoke only English in 1951 as compared with 67.2 per cent of 1941's population of 11,506,655, 19.6 per cent spoke only French as against 19 per cent in 1941, 12.3 per cent spoke both English and French as compared with 12.8 per cent, and 1.09 per cent spoke neither English nor French as against one per cent.

In 1951, Ontario, with 4,115,584 citizens who spoke only English, accounted for 43.8 per cent of the national total; in 1941 Ontario had 3,425,266 or 44.2 per cent of the total. Quebec, with 2,534,242 citizens who spoke only French, accounted for 92.43 per cent of all the national total in 1951; ten years earlier Quebec had 2,016,089 or 92.41 of the country's total. In 1951, Quebec had 60.1 per cent of Canada's bilingual (English and French) population as against 60.6 per cent in 1941, and Ontario 20.8 per cent as against 19.2 per cent a decade earlier.

* * * *

MINISTER TO AUSTRIA: The Governments of Canada and of Austria have agreed to exchange diplomatic missions.

Dr. Victor Doré has been appointed Canadian Minister to Austria and will act in that capacity jointly with his present duties as Minister to Switzerland. He will reside in Berne and will make periodic visits to Vienna. Dr. Max Loewenthal-Chlumecky has been appointed Austrian Minister to Canada and will act in that capacity jointly with his present duties as Austrian Ambassador to the United States. The present Austrian Consulate-General in Ottawa will be redesignated as a Legation. During the absences of the Minister, the office will be under a *Chargé d'Affaires ad interim*.

Dr. Doré was born in Montreal on July 27, 1880, and was educated at Plateau Academy, Jacques Cartier Normal School and the University of Montreal, where he specialized in French literature and the history of fine

arts. He received the degrees of D.S.S. and D.C.S. from the University of Montreal and of L.L.D. (*honoris causa*) from McGill University. Between 1900 and 1946 he held a series of teaching and administrative posts with the Catholic School Commission of Montreal and the University of Montreal. He was appointed Canadian Ambassador to Belgium and Minister to Luxembourg in 1946 and held these positions until 1950 when he was appointed Minister to Switzerland. He served on the Executive Board of the United Nations Educational, Scientific and Cultural Organization, 1947-48, and has attended UNESCO conferences and meetings of the International Refugee Organization

* * * *

EMPLOYMENT IMPROVES: Employment conditions continued to improve in July and at a higher rate than in the latter part of June, the Department of Labour announced on August 22. The number of job applications on file at National Employment Service Offices declined by 20,500 during the four weeks ending July 31, to a new low for 1952 of 175,700; this was about 45,000 greater than at the end of July 1951, and about 17,000 greater than at the same time in 1950.

The employment situation varied considerably in different parts of the country in July. Whereas applications declined steadily throughout the month in the Quebec, Atlantic and Ontario regions, applications rose at the beginning of July in the Prairie and Pacific regions due to the completion of early summer farm work and the secondary effects of strikes in the British Columbia construction and lumbering and logging industries. By the middle of July applications were falling again throughout the country. The Quebec and Atlantic regions were especially favoured during July by increased activity in agriculture and the construction industry. Defence projects made the latter especially active in Newfoundland.

The United States steel strike resulted in the lay-off of about 25,000 workers, mostly in automobile manufacturing and feeder plants.

* * * *

RETAIL SALES RISE: Value of retail trade rose four per cent in June over the corresponding month last year, while the cumulative total for the first six months of the year advanced about six per cent. Dollar value of sales for June was \$978,263,000 as compared with \$940,218,000, bringing the half-year total to \$5,265,871,000 as against \$4,980,180,000.

* * * *

Canada exported 39,139 tons of lead in pigs worth \$14,521,097 and 3,624 tons of lead in ore worth \$1,222,629 in the first four months of this year

TO AID IN RESOURCES SURVEY OF PAKISTAN

UNDER COLOMBO PLAN. Canadian capital and personnel, employing aerial survey methods utilized extensively in Canada, will provide Pakistan with an inventory of its natural resources, commencing in the immediate future. Under provisions of the Colombo Plan for the economic development of South and Southeast Asia, a contract has been awarded to the Photographic Survey Corporation, Limited, of Toronto, extending over a period of four years, the Department of Trade and Commerce has announced.

Although the mapping should be completed by the end of 1954, geologists will return to Canada on completion of the field work and prepare their reports. Results of their studies, extending over an area of some 123,000 square miles, will then be plotted on maps that will be accompanied by a geological report for the Government of Pakistan. This, together with all materials, maps, photographs and preliminary reports should be submitted by the end of 1956.

SUGGESTION OF PAKISTAN

The decision of Canada to assist in the preparation of such a survey was taken on the suggestion of the Government of Pakistan that provision might be made under the Colombo Plan for the creation of a framework similar to that with which Canadians engaged in the development of their own country are so familiar.

The Corporation has undertaken to photograph from the air and to furnish maps of an area of 160,800 square miles -- approximately one-half the size of British Columbia -- and to prepare geological maps covering an area of 123,000 square miles. In the same way as is done in Canada, areas are provided with priority ratings. For instance, top priority has been given to the Nari-Bolan Project, involving an irrigation programme: the Upper Indus River, between Swat and Mianwali, which will be examined for irrigation and hydro-electric purposes; and the Quetta-Kalat block.

Topographical maps and a soil survey of the Thal Project, in which Canada is particularly interested, have a high priority, in common with other areas in which it is proposed to extend irrigation facilities. With so many refugees gravitating towards the centres of population, provision has been made for the preparation of large scale maps of Karachi and

Hyderabad, and their environs, for the purpose of town planning.

Negatives will be processed in laboratories to be established in Pakistan. A number of Pakistani nationals, including four to be trained as technicians, will be taken on as laboratory assistants, and work with those of the company. Others will be trained in air photography, including air and ground work, in mapping from aerial photographs and in regional geology. While they will be attached to the Canadian parties working in Pakistan, they will be afforded opportunities of visiting the offices and plant of the Corporation in Canada, in order that they may study the latest techniques and equipment.

SENIOR GEOLOGIST

A senior geologist will be sent by the company to Pakistan to collect and examine all available and pertinent geological data. This, and information collected from other sources, will be compiled on a suitable base and used in conjunction with new data obtained during the survey operations for the preparation of a geological map.

Five senior geologists, together with supervisory and supporting staff, will study the air photographs covering the geological area, and plot on photographic mosaics their interpretations of rock exposures, major structural features and rock types, for subsequent use in the field.

Five geological parties will devote two years to the examination in the field of the geological area. Results of examinations, both photographic and field, will be plotted on sketch maps at a scale of one mile to one inch, but the final compilation is to be carried out in Canada under the direction of the company's superintending geologist.

It is proposed that two suitable aircraft should be placed in operation in Pakistan by next November, and that fifty per cent of the area to be photographed will be covered by the end of next March.

Mr. Nik Cavell, Administrator of the International Economic & Technical Co-operation Division, Department of Trade and Commerce, pointed out in discussing this project that Canada had a unique opportunity of applying the lessons she has learned in surveying this vast country from coast to coast to assist in the development of Pakistan

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CAPT. HART'S VISIT: Capt. B.H. Liddell Hart, internationally-known military authority and author, is visiting Canada from August 28 to September 19 at the invitation of the Minister of National Defence, it has been announced at National Defence Headquarters.

During this period he is to address closed meetings at United Services Institutes, the National Defence College and Canadian Army Staff College at Kingston, and the RCAF Staff College at Toronto, as well as branches of the Canadian Institute of International Affairs.

(Continued from P. 1)

TRADE BALANCE \$164,400,000

Overseas countries accounted for the greater part of the increase in export value in the half year. The value of domestic exports to the United Kingdom increased by 55 per cent as compared to the first half of 1951 to reach a total of \$394,000,000. Domestic exports to other Commonwealth countries gained 40 per cent to reach \$147,000,000, those to Europe rose 67 per cent to reach \$192,000,000, while domestic exports to Latin America increased by 86 per cent to reach \$148,000,000. There was relatively little change in imports from Latin America and Europe, but imports from the United Kingdom were 28 per cent lower than in 1951, due to smaller shipments of motor vehicles and textiles to Canada. Imports from other Commonwealth countries declined by 37 per cent, due particularly to lower prices for wool and rubber. Imports from Australia and the Federation of Malaya were affected most by these declines.

Relatively little change occurred in the results of trade with the United States in the first half of 1952 as compared with the 1951 period. Total exports advanced to \$1,132,000,000 from \$1,127,000,000 in 1951, and imports reached \$1,458,000,000 as compared with \$1,471,000,000 a year ago. The resulting import surplus was slightly smaller than last year at \$326,000,000 against \$344,000,000.

The month of June reflected a continuation of these trends. Exports to overseas countries remained well above their June, 1951 levels, while those to the United States showed little change. Imports from the United States and Latin America remained high, while those from the United Kingdom, other Commonwealth countries, and European countries were lower than in June, 1951.

* * * *

CONSUL GENERAL IN BOSTON: The Department of External Affairs announced on August 28 the posting of Mr. George S. Patterson as Consul General in Boston, succeeding Mr. James A. Strong, who has returned to Ottawa for duty in the Department.

Mr. Patterson was born in Moncton, N.B., on August 22, 1887. He studied at Mount Allison University, the Union Theological Seminary and Columbia University, 1926-28, receiving the degrees of Bachelor of Divinity and Doctor of Philosophy. From 1936 to 1943 he was General Secretary of the Y.M.C.A. in Toronto.

Mr. Patterson joined the Department of External Affairs as Counsellor at the Canadian Embassy in Chungking, in February 1943, and was Chargé d'Affaires, 1944-45. He then served in Ottawa, 1945-47, and in Nanking, 1947-48. He served as Acting Head of Mission in Tokyo from August to November, 1947. After a short term of duty in Ottawa, he was appointed Consul General in Shanghai, and served in that ca-

capacity from 1949 until the beginning of 1952.

Mr. Patterson has attended several international conferences, including the Far Eastern Commission, Washington, 1946; the United Nations Temporary Commission on Korea, Seoul and New York, 1948; the General Assembly of the United Nations, Paris, 1948.

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WORKERS' VACATIONS: The trend towards longer annual paid vacations for workers in Canadian manufacturing industries is continuing, the Minister of Labour, Mr. Milton F. Gregg said on August 27, in announcing the most recent report by the Economics and Research Branch of the Department of Labour on wages and working conditions in manufacturing.

Most plant workers employed in manufacturing became eligible for one week's vacation after their first year of service and their vacations increased in length as their services increased, the survey indicated. However, there appeared to be a gradual trend towards granting plant workers two weeks' vacation after a year or less of service.

* * * *

U.S. ARMY OFFICERS' VISIT: A party of 16 senior United States Army officers arrived by air in Ottawa August 24 to begin an eight day tour of Canadian military and industrial installations. Army Headquarters announced August 22.

Aim of the tour is to acquaint senior United States Army officers with Canada, to familiarize them with Canadian Army practices and so show them something of Canada's industrial potential.

On August 25 the U.S. officers visited Army Headquarters before leaving for Camp Borden. On August 27 they visited the A.V. Roe plant and the Canadian National Exhibition in Toronto. They arrived at Quebec on August 28 to tour Valcartier military camp and the Canadian Army Research and Development Establishment.

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CANADIAN HANDICRAFTS: More than 400,000 Canadians go in for some form of handicrafts. It is a profitable activity, and in 1951 sales of Canadian handicraft products were estimated at about \$100,000,000. Marking this expansion will be National Hobby Craft Week in Canada, from October 18 to 25, and the National Hobby-craft and Handicraft Show in Toronto, October 21 to 23.

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HOME FOR CHRISTMAS: Nearly 1,900 married officers and men of the Canadian Army who have completed their one-year tour of duty with Canada's 27th Brigade in Germany, will be home for Christmas, Army Headquarters has announced.

CANADIAN WEEKLY BULLETIN



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 DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

RECORD WHEAT CROP: Canadian farmers are expected to harvest all-time record crops of wheat and barley in 1952. The oat crop prospects are for the second highest yield per acre on record but acreages of this crop are at a relatively low level and the anticipated total production has been exceeded in six previous years. The expected yield of rye is also well above average and, if realized, the estimated production of this crop will be the third highest on record.

With the exception of mixed grains and tame hay, average yields per acre for all Canada of all crops covered in this report are above last year's levels and are all significantly above the long-time (1908-50) average. In general, extremely high grain yields are in prospect throughout Western Canada while in the East the situation is rather less favourable. Unseasonable weather has hampered crop development at various stages of the season in parts of Central Canada and the Maritimes and production of most spring grains in these regions will be below last year's levels.

Reflecting nearly ideal growing conditions in Western Canada this season, Canada's 1952 wheat crop is currently estimated at the unprecedented total of 656,000,000 bushels compared with last year's revised estimate of

553,000,000 and the previous record of 567,000,000 harvested in 1928. A wheat crop of the size indicated this year would be about 70 per cent above the unrevised ten-year (1941-50) average 387,000,000 bushels. It should be noted, however, that much of the crop is immature at this date and is accordingly susceptible to frost damage and other weather hazards. Several weeks of warm, dry weather will still be required to fully complete the harvest and to assure ample supplies of high quality grain.

The total acreage seeded to wheat this year is placed at 26,000,000 acres, about nine per cent below the record 28,700,000 seeded in 1940. However, the estimated average yield of 25.2 bushels is well above both last year's yield of 21.9 and the long-time (1908-50) average of 16.2 bushels per acre.

In the Prairie Provinces the wheat crop is expected to yield 632,000,000 bushels as against 529,000,000 last year and the previous record of 545,000,000 in 1928. The anticipated yield per acre of wheat in the Prairie Provinces is 25.1 bushels, with Manitoba averaging 23.2, Saskatchewan 24.2 and Alberta 28.1 bushels per acre. Production in Saskatchewan is placed at 397,000,000 bushels while that in Alberta and Manitoba is estimated at 180,000,000 and 55,000,000 bushels,

NICKEL, ALUMINUM, IRON, OIL AND POWER

PRESENT PROJECTS: The following word-sketch of national projects now under way across Canada is taken from an address by the Minister of Labour, Mr. Milton F. Gregg to the Trades and Labour Congress of Canada, at its 67th annual convention, in Winnipeg on August 19:

"Let us look at some of our national projects on which the attention of the world is being focussed.

"Right back of you here in Manitoba is the famous Lynn Lake Development. Through this terrain a railway is being pushed 160 miles to bring out nickel from a new gigantic refinery. These vast deposits under the northern lakes and tundra will give Canada clear title to the control of this essential metal. Adjacent to it, Northern Saskatchewan has its counterpart to Lynn Lake in the uranium mines now being developed.

"A Crown Company, Eldorado Mining and Refining Limited, is primarily responsible for this development. Its mine is the key to the development of a great area -- all the low-lying country at the headwaters of the Athabasca which feeds the Mackenzie and finds its outlet in the Arctic ocean.

KITIMAT DEVELOPMENT

"Then, very much in the news, is the Kitimat development in Northern British Columbia which will give Canada unchallenged leadership in aluminum production for the predictable future. Timber mills will follow in the wake of the Kitimat 'army' now digging a ten mile tunnel under the coastal range. At peak capacity it will deliver two million horsepower. There, deep under a mountain, will be created the greatest power-house in the world and one that will be safe from any predatory bombing raid.

"Stretching its steel fingers 350 miles north in Quebec is the important Seven Islands Railway, now under construction to tap the vast iron deposits of the Labrador-Ungava hinterland. This is a joint U.S.-Canadian enterprise, and by 1954 the ore will be pouring down the railway to feed the steel mills of our two countries.

"Playing no favourites east or west, the industrial barometer indicates heightened activity in the Red Water and Leduc oil fields of Alberta out of which flows the 'black gold' from sub-strata that was old when dinosaurs roved the 'Bad Lands'. Now it yields its liquid power to serve the needs of a continent.

Pipe lines now traverse the ancient buffalo 'runs'.

"Right now the 82 million dollar Trans-Mountain Pipe Line is being driven through the Rocky Mountains at the Yellowhead Pass 700 miles to Vancouver. It will provide a new outlet for Alberta oil and a new source of power for British Columbia's industry. At full capacity a daily flow of 200,000 barrels, worth \$164 million per year, will flow through this one pipe line alone.

"Down east, by the Atlantic, on the Strait of Canso, the Nova Scotia mainland and Cape Breton Island are being linked by a great causeway. They are moving a whole mountain to supply the fill. A news writer in Sydney rates this causeway as a greater engineering project than the pyramids of Egypt. In his colourful story he points out that the Canso causeway will serve a national purpose whereas the pyramids are only tourist bait to send home on picture post cards!

"In New Brunswick, for the first time in her history, there has been discovery and development of metallic minerals and the waters of the Saint John are being harnessed for cheaper power. Newfoundland is undergoing an industrialization that causes old Maritimers to gasp with astonishment.

ST. LAWRENCE SEAWAY

"Dominating our industrial future is the St. Lawrence Seaway development. Here is something so great in its economic potential that we would like to share it with our American neighbours. But we are now proceeding to develop it alone for all this power cannot be allowed to lie undeveloped any longer.

"These projects I have outlined are only the most dramatic highlights of Canada's present industrial expansion.

"The complete picture still requires a lot of 'dubbing in'. It would have to include all the ancillary and feeder industries to these major projects and all the expansion of existing plants. For instance, a capital investment of nearly \$4 billion went into mines, pulp mills, railways, and factories last year.

"All this expansion is competing in manpower with a defence programme which we simply cannot afford to reduce until our re-armament drive levels off to a 'care and maintenance' basis. And that time is not yet.

"It is not expected that Canada will reap the rewards of the strainour economy is undergoing until 1954 or 1955. In the meantime it is a hard pull...."

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665,346 OLD AGE PENSIONERS: New applications for old age security pensions totalled more than 6,200 in July, bringing the total

number of pensioners to 665,346 the Federal Welfare Department has announced. This number requires a gross monthly outlay of \$26,613,840.

(Continued from P.1)

RECORD WHEAT CROP

respectively. Small quantities of winter wheat are included with spring wheat in the estimates for the Prairie Provinces.

Wheat production in the remainder of Canada is estimated at about 24,000,000 bushels. Ontario's anticipated outturn of 21,500,000 bushels accounts for the greater part of Canadian wheat grown outside the Prairie Provinces. Some 20,800,000 bushels of the 1952 Ontario crop is winter wheat which is expected to yield an average of 32 bushels per acre.

Production of oats in 1952 is estimated at 466,000,000 bushels compared with 488,000,000 in 1951. The 1952 crop is well below 1951 levels in all Eastern Provinces, unchanged in Saskatchewan, and greater than in 1951 in Manitoba, Alberta and British Columbia.

The 1952 barley crop, currently estimated at 295,000,000 bushels is some 50,000,000 greater than in 1951 and 36,000,000 in excess of the previous record crop of 259,000,000 harvested in 1942.

With increases over 1951 in both acreage and average yield per acre, the 1952 rye crop promises to yield 24,900,000 bushels. A crop of this size would be the third largest on record having been exceeded only in the years 1948 and 1922.

This year's flaxseed crop, placed at 13,000,000 bushels is well above last year's 9,900,000. As in the case of rye, most of Canada's flaxseed is grown in the Prairie Provinces.

Canada's 1952 crop of mixed grain is placed at 60,400,000 bushels compared with 68,500,000 last year.

The 1952 potato crop is estimated at 52,800,000 bushels compared with the 1951 revised production of 48,400,000.

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APPRECIATIONS FROM UNICEF: The Department of External Affairs has received a letter from Mr. Maurice Pate, Executive Director of the United Nations International Children's Emergency Fund, acknowledging Canada's 1952 contribution to UNICEF and expressing that organization's appreciation of the support which it has received from Canada since 1947.

The text of Mr. Pate's letter, addressed to the Under-Secretary of State for External Affairs, follows:

"Dear Sir:

This is to acknowledge your communication of July 24th advising me that you have forwarded to the Canadian Commercial Corporation a check in the amount of \$500,000 Canadian representing Canada's contribution for 1952 to UNICEF. This brings the total voluntary contribution of the Government of Canada since 1947 to a total of \$7,975,050 Canadian. In addition to this, we have received since the beginning of this work \$1,528,878 Canadian in the form of voluntary contributions from individuals and organizations in your country.

"We of UNICEF are deeply grateful for the constant support of your Government and of your people year by year in the past and for their great generosity. At the same time, as you know, a number of Canadians have since the beginning participated actively in this work and rendered effective services which in their way are as important as the financial support which your country has given to this action..."

* * * *

FREE OF FOOT AND MOUTH DISEASE: Canada was officially declared free of Foot and Mouth Disease on August 19 by the Minister of Agriculture, Mr. James G. Gardiner. All restrictions on the movement of livestock throughout Canada and all precautionary measures against the spread of the disease in Southern Saskatchewan have been removed. This action does not in any way change present floor price policies for livestock.

No sign of the disease has been uncovered since May 4 when the last infected herd was slaughtered, it was announced. Test animals (calves and hogs) have been on all infected and contact premises for 60 days or more and none has shown evidence of the disease.

This official action removes all quarantine and restrictive measures, including individual quarantine of former infected or contact premises, and the general quarantine applicable to the infected area and buffer zone. Provincial restrictions imposed as a result of the outbreak have been removed.

Since the disease was diagnosed on February 25, 1343 cattle, 294 swine and 97 sheep have been slaughtered. There was a total of 42 premises involved by the outbreak, 29 of which were infected premises and 13 were contact premises.

The quarantine area involved only 21 rural municipalities of the well over 580 rural municipalities in Saskatchewan. Active infection occurred in 5 of the 21 municipalities.

NATION-WIDE INSPECTION

Commenting on the Minister's announcement declaring Canada free of Foot and Mouth Disease, Mr. Nelson Young, the Department's Director of Production Service, made it clear that inspections of suspected animals and meat were carried on in every part of the nation, and not only in the quarantine and buffer areas in Saskatchewan.

Mr. Young said that because even the slightest suspicion brought immediate attention, there had been more than 1,500 individual inspections of suspected meat during the outbreak in places that included Toronto, Windsor and Montreal as well as Regina, centre of the outbreak. He added that animals that were suspected, no matter where they were located in Canada, were given the same swift attention by federal veterinarians that animals in the quarantine and buffer zones received, at all times.

CARRYOVER STOCKS OF GRAIN: Total carry-over stocks of the five major Canadian grains in all North American positions as at July 31, 1952 were estimated at almost 405,000,000 bushels, compared with last year's total of 342,400,000 and the 1941-1950 average of 468,300,000. Stocks of wheat, placed at 213,000,000 bushels, accounted for slightly more than half the total volume of this year's July 31 carryover of the five grains. Data for these estimates were obtained from the Bureau's annual July 31 survey of grain held on farms, from mill returns, and from information supplied by the Statistics Branch, Board of Grain Commissioners for Canada, relative to stocks of grain in commercial positions.

Total stocks of Canadian wheat in all North American positions at July 31, 1952 were estimated at 213,000,000 bushels as against 189,200,000 on the same date last year. With the exception of an estimated 19,300,000 bushels on farms, all of this year's July-end stocks were located in commercial positions. While the current carryover is the largest since 1945, it is below the average carryover of 256,500,000 for the 1941-1950 period and is only about 36 per cent of the record 594,600,000 carried over on July 31, 1943. Eye stocks, at 7,700,000 bushels of which 1,300,000 were on farms, were more than double the July 31, 1951 stocks of 3,300,000 and were almost 50 per cent above the ten-year average of 5,200,000.

Current carryover stocks of oats, the largest since 1944, are placed at 104,900,000 bushels as against 95,200,000 last year and 72,600,000 for the 1941-1950 average. Barley stocks are estimated at a record 76,900,000 bushels, compared with 53,500,000 last year and the ten-year average of 30,600,000. Flaxseed stocks, placed at 2,400,000 bushels, are double last year's 1,200,000, but are below the ten-year average of 3,300,000.

Total farm stocks of wheat, at 19,300,000 bushels, were somewhat below the 22,300,000 held on farms a year ago.

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OVERSEAS AIR MATERIEL BASE. Air Force Headquarters announced on August 20 the transfer of 69 airmen to the RCAF's recently formed 30 Air Materiel Base at Langar, England. The airmen have been moved to the supply unit in accordance with the expanding supply programme to be carried out from the Langar Base, which is situated about 22 miles north-west of the RCAF's No. 1 Fighter Wing at North Luffenham.

The Air Materiel Base will be the main source of supply for the 12 RCAF fighter squadrons earmarked by Canada for NATO duty in Europe. It is the first time the RCAF has had an overseas air materiel base under its own control.

SPECIAL AMBASSADOR: Mr. Edmond Turcotte, Consul General of Canada at Caracas, was appointed as Special Ambassador of Canada to the Dominican Republic on the occasion of the inauguration of its new President, General Hector B. Trujillo Molina.

Mr. Turcotte, accompanied by Mr. A.W. Evans of the Canadian Embassy at Havana, Cuba, attended the ceremonies in honour of the presidential inauguration, which took place at Ciudad Trujillo from August 14 to 19 inclusive. The Ambassador transmitted to President Trujillo a message from the Acting Prime Minister extending congratulations to the new Head of State and friendly greetings to the people of the Dominican Republic from the people of Canada.

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NICKEL PRODUCTION UP: Production of nickel, in 1951, all forms, was 275,806,272 pounds, valued at \$151,269,994. This was an increase in tonnage of 11.5 per cent and an increase in value of 34.9 per cent, compared with production in 1950. The peak year was 1943 when 288,018,000 pounds were produced. Output, in 1951, came from mines operated by The International Nickel Company of Canada Limited and Falconbridge Nickel Mines Limited in the Sudbury area of Ontario. More than 50 per cent was refined in Canada at International Nickel's plant at Port Colborne, Ontario.

About 95.1 per cent of 1951 production was exported, in the form of matte, oxide, or refined metal; 64.1 per cent went to the United States, and 22.7 per cent to the United Kingdom.

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ELECTRICITY OUTPUT UP: Output of electric energy by central electric stations rose six per cent in June over the same month last year, according to figures compiled by the Dominion Bureau of Statistics. With gains in each month from January to June, cumulative total for the first half of this year was seven per cent above a year earlier.

The month's output amounted to 4,986,300,000 kilowatt hours as compared with 4,708,904,000 in June last year. In the half year, 30,807,906,000 kilowatt hours were produced as against 28,814,522,000 in the similar period of 1951.

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Canadian farmers collected \$12,175,000 from the sale of maple syrup and sugar in 1952, 42 per cent more than 1951's gross of \$8,555,000.

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Canadian bakers baked 1,379,851,428 pounds of bread in 1950 and sold it for \$130,618,315.

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SEAWAY PREPARATIONS: The Minister of Transport, Mr. Lionel Chevrier, announced on August 21 the transfer of the Special Projects Branch of the Department of Transport to Montreal for the purpose of preparing the detailed designs and plans required in connection with the construction of the St. Lawrence Seaway. Mr. R.A. C. Henry of Montreal will have charge of the Special Projects Branch and will be responsible for the preparation of the plans for the Seaway. He will direct the preparation of the engineering submission to the International Joint Commission in support of the Application of the Government of Canada for approval of the St. Lawrence Power Development Project.

Mr. Henry is a prominent engineer and well known in the transportation field. He is a former Director of the Bureau of Economics of the Canadian National Railways and has held important Government positions as Deputy Minister of Railways and Canals and Chairman of the Air Transport Board.

The appointment of Mr. Guy A. Lindsay, formerly Director of the Special Projects Branch, as Special Adviser to the Minister of Transport is also announced.

LAKE ONTARIO LEVELS

Mr. Lindsay will remain in Ottawa and will advise the Minister on engineering matters with respect to the Application to the International Joint Commission for approval of the St. Lawrence Power Development Project. He will assist in the preparation of the evidence to be submitted on the Application. Mr. Lindsay will also represent the Department of Transport before the International Joint Commission on the reference concerning the water levels of Lake Ontario. Mr. Lindsay will continue as a member of the present Interdepartmental Committee on matters pertaining to the St. Lawrence Waterway. He will continue to be a member of the International Niagara Falls Engineering Board and Chairman of the St. Lawrence Ship Channel and Montreal Harbour Committee. He will also undertake special assignments.

The Minister also announced the appointment of Mr. H.W. Lea, Consulting Engineer, Montreal, to undertake an investigation to determine the effect on navigation, and down river interests, of removing the Gut Dam in the St. Lawrence River, and to report on the advisability or otherwise of removing the dam progressively, if this is deemed necessary.

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CANADA SAVINGS BONDS: The Minister of Finance, Mr. Douglas Abbott, announced on August 20, that the Sixth Series of Canada Savings Bonds will be withdrawn from sale on August 30. Applications made before August 30, with arrangements for deferred payment, are not affected.

CANADIAN ART FOR SERVICEMEN: Pictures of Canada by prominent Canadian artists now decorate the messes and canteens of Canadian servicemen abroad, thanks to the combined efforts of the National Gallery and the Defence Department's Bureau of Current Affairs.

Sixty silk-screen reproductions of outstanding Canadian paintings are now on show in the three ships of the Royal Canadian Navy serving in Far Eastern waters, 30 have gone to the 25th Brigade in Korea, ten to the 25th Canadian Reinforcement Group in Japan, ten to the Canadian Army Liaison Establishment in London, 90 to the 27th Brigade in Germany and 30 to the RCAF in North Luffenham, Eng.

Pictures for the 27th Brigade have been divided into five libraries of 18 silk-screens each, which are rotated among units every three months.

The full-colour reproductions are in three sizes, 14" by 19", 20" by 29" and 30" by 40". In addition, coats of arms of the ten Canadian Provinces have been sent to units overseas.

On his return from Korea, the Minister of National Defence suggested that Canadian messes, canteens and recreational establishments abroad be supplied with the reproductions. At the invitation of Dr. H.O. McCurry, Director of the National Gallery of Canada, a number of public-spirited businessmen sponsored the scheme. The Gallery made more than 200 reproductions available, including some of paintings by Tom Thomson, A.E. Robinson, A.Y. Jackson, Emily Carr and Charles Comfort.

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NEW SERVICES COLLEGE: In announcing an increase in the number of cadets to be admitted to the new Canadian Services College at St. Johns, Quebec, College Militaire Royal de Saint Jean, and an extension of arrangements so that the College will give a second and third year, the Minister of National Defence, Mr. Brooke Claxton said on August 18:

"We have so far received more than 1,200 enquiries and over 220 firm applications, with more coming in every day. In view of this we are increasing the number we propose to admit in 1952 from 100 to 125, the maximum which can be accommodated this year.

"The progress made and response received indicate that the new college will be a going concern and I believe will assure its success in meeting the task for which it is intended.

"Accordingly, as originally forecast, the Government has decided to extend the arrangement so that this College will give a second and third year, corresponding in every respect to the first two years at R.M.C. and Royal Roads and permitting the qualification of its graduates for commissions in the non-technical branches of the regular forces.

"Construction of the additional buildings required, including a chapel, will commence at an early date."

CROP CONDITIONS FAVOURABLE: Crop prospects continue very favourable throughout the Prairie Provinces although warmer weather is required to speed maturity particularly in northern areas, the Bureau of Statistics reported on August 20. Swathing is well under way, being most advanced in southern districts. About one-third of the grain crop has been threshed in southern Manitoba and threshing and combining are under way in some sections of Saskatchewan and Alberta. Early results indicate good yields are in prospect in most districts. Scattered hail losses have been reported from points in Manitoba and Saskatchewan, while heavy losses were incurred as a result of a sweeping storm across central Alberta on August 13.

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TO USAF IN KOREA: Wing Commander R. T. P. (Bob) Davidson, DFC, CD, 35, of Vancouver, has been transferred to the United States Air Force for a tour of duty with the USAF 5th Interceptor Wing in Korea, it was announced August 21 by Air Force Headquarters.

W/C Davidson, who in addition to his DFC holds the French Croix de Guerre with Gold Star, has been serving as Chief Operations Officer with the RCAF's No. 1 Fighter Wing at North Luffenham, England. He formerly commanded 421 Squadron, the first RCAF Fighter squadron to be based outside Canada in peacetime.

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According to the most recent estimate Canada has 236,053 miles of telephone pole lines, including 3,065 miles of buried cable.

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RECORD ZINC PRODUCTION: There was an increase of about 20,700 tons in the production of zinc in Canada in 1951, mainly due to a larger output of refined zinc by The Consolidated Mining and Smelting Company of Canada Limited at Trail, British Columbia, and by Hudson Bay Mining and Smelting Company Limited at Flin Flon, Manitoba. The production of zinc concentrate in Newfoundland and Quebec was about the same as in 1950, but a substantial increase from eastern Canada may be expected in 1952 and subsequent years when several new mines come into production. The value of the output, \$133,000,000, was a record high.

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PETROLEUM INCREASE 11 P.C.: Overall receipts of crude petroleum at Canadian refineries were 11 per cent larger in March than in the same month of 1951, and were 10 per cent higher in the first three months of this year. Receipts in the month amounted to 8,596,000 barrels as compared with 7,771,000 in March last year, bringing the three-month total to 26,342,000 barrels as against 24,042,000.

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"HAIDA" TO KOREA: HMCS Haida (Tribal class destroyer), veteran of the Second World War, will sail from Halifax, September 27, for her first tour of duty in the Korean war theatre. The Haida will relieve HMCS Nootka, which has been on duty in Korean waters since February. Also serving in the Far East are the destroyers Iroquois and Crusader.



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 DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

NEW HALF-YEAR EXPORT RECORD: Canada's domestic exports continued at a high value in June, being only slightly below the all-time peak reached in May, and 20 per cent above last year's June total. With substantial gains in each of the five previous months, the cumulative value for the first six months of this year rose 20 per cent to reach an all-time high. Most of this increase was due to increased volume which rose by some 17 per cent.

Exports to all countries in June were valued at \$374,800,000 as compared with \$380,800,000 in the preceding month and \$312,500,000 in the corresponding month last year. This brought the cumulative total for the first six months of 1952 to \$2,089,600,000 as compared with \$1,740,200,000 in the similar period of 1951.

Marked increases in exports to the United Kingdom, Latin America and most European markets were main factors in the overall rise in value in June from the previous year. Exports to the United States were only slightly higher than a year earlier. In the half-year period, exports to the United States passed the billion-dollar mark for the second successive year, while exports to the United Kingdom were at peacetime peaks. Exports to Latin America were almost doubled in value, and shipments to Europe were up sharply.

Among the main commodities there were sharp increases both in June and the half-year in the exports of wheat and other grains, newsprint paper, automobiles, aluminum, copper, nickel, zinc and aircraft and parts. Exports of cattle, and of fresh, chilled and frozen beef and veal were off steeply in the half year, but exports of beef in June were again appreciable, with the beginning of shipments to the United Kingdom.

Exports to the United States rose in value in June to \$191,483,000 from \$188,399,000 in the corresponding month last year, accounting for 53.2 per cent of total exports as compared with 60.3 per cent a year ago. In the half year the grand total value was \$1,113,307,000 as compared with \$1,109,846,000, the proportion of the whole amounting to 53.3 per cent as compared with 58.0 in the similar period of 1951.

There was a mixture of gains and losses among the principal commodity groups of exports to the United States in June, sharpest increases occurring among agricultural and vegetable products and non-ferrous metals, and the most marked declines in the animals and animal products section. In the half year, only one group -- animals and animal products -- was lower in value than a year ago.

Exports to the United Kingdom continued to climb in June, rising to \$82,732,000 from

SCIENTIFIC RESEARCH THROUGHOUT CANADA

N.R.C. REPORT: Increased service to industry, Government agencies, and the Armed Forces, is pointed up in the 35th Annual Report of the National Research Council of Canada which has just been published. This bilingual document contains the President's report, the financial statement, and an account of "Canadian Patents and Development, Limited", a Crown company subsidiary to NRC, formed to promote the commercial application of improvements or new processes developed in the laboratories of the Council and by the universities.

The report mentions hundreds of projects carried out in the Council's nine laboratory Divisions, and also includes an account of the year's activities in atomic energy research at Chalk River. It will be recalled that, effective April 1, 1952, responsibility for operating Canada's Atomic Energy Project was taken over from NRC by the newly formed Crown company, Atomic Energy of Canada, Limited.

DEFENCE PRODUCTION

In the laboratories at Ottawa, emphasis during the year was largely on aeronautical, building and radar research, as these three fields are most closely associated with the defence production programme. Physics, chemistry, and biology, too, had a part in this work although their activities also included substantial amounts of fundamental research.

The Technical Information Service, which has a field staff all across Canada calling regularly at industrial plants, answered some 400 inquiries a month.

Since 1948 the Council has been accepting, for one or two year periods, selected post-doctorate fellows from the universities of the world. The Council's regular scholarship awards have enabled Canadian students to improve their scientific status by graduate studies at Canadian universities, or through travelling fellowships, at institutions in other countries.

Medical research at Canadian universities has also been supported through grants and fellowships. Last year 125 grants were made to individuals and four consolidated grants were provided for the continuance of large-scale medical research programmes at leading Canadian institutions.

The Council reports the following as highlights from the laboratory divisions;

Aeronautical research and test work for industry and the Royal Canadian Air Force, has been increased to such an extent that the wind

tunnels have had to be operated on a two-shift basis. Every laboratory of the Division, including hydraulics, low temperature, structures, engines, fuels and lubricants, has increased its operating schedule to meet the need for work on defence production problems.

Building research studies have included soil mechanics and foundation problems, the relation of climate to house heating and insulation, revision of the National Building Code, and research in co-operation with Central Mortgage and Housing Corporation.

Research in chemical engineering has yielded a means for the simultaneous drying and thermal cracking of bitumen from Alberta tar sands. A clean dry oil of low viscosity can be produced in a single operation. Other studies concern corrosion in hot water tanks, development of paints for special uses, textile studies on moth-proofing and rot-proofing, work on synthetic detergents, and pilot-plant studies on a process for the oxidation of ethylene, which is now undergoing commercial trials.

ELECTRICAL ENGINEERING

In radar and electrical engineering research, assistance was given in the extension of Shoran geodetic triangulation to the Canadian Arctic coast. Investigations are being continued on the improvement of Shoran radar measurements.

Microwave beacons for lake and coastal navigation were further developed. This system comprises a microwave transmitter on shore and a simple, inexpensive microwave receiver on board ship. Beacon receivers were provided for Halifax pilots and Department of Transport supply vessels.

Electronic tubes are being studied with the object of developing tubes with a useful life approaching the theoretical, i.e. about 60,000 to 100,000 hours.

Food investigations in their biological, biochemical and engineering aspects constitute the major part of the work in applied biology.

Two new spheres of activity were started in physics during the year: low temperature and solid state physics; and photogrammetry.

Other work in physics included an extensive study in optics on photographic resolution in contact printing and investigation of the apparent colours of surfaces in twilight. A study is being made by the acoustics group on means for reducing the great volume of noise produced when jet engines are being tested in the engine laboratory.

COMMONWEALTH FORESTRY CONFERENCE: The Minister of Resources and Development, Mr. Robert H. Winters, welcomed to Canada on August 11 top-ranking forestry experts from Commonwealth nations and the United States. The Sessions for the Sixth British Commonwealth Conference are to be held in Ottawa but many of the delegates will tour the forest areas of Canada before they return home.

The Minister said, in part:

"Clearly, there is a rapidly growing recognition, throughout the world, that uncontrolled forest exploitation, often resulting in devastation, must be replaced as quickly as possible by sound forest management based on the principles of conservation and sustained yield. This follows the lead given by the First British Empire Forestry Conference which was convened in England in 1920. There, for the first time, practical recognition was given to the fact that interchange of knowledge and experience between the forest authorities of different countries was likely to be mutually beneficial.

"That meeting, and those held subsequently in Canada, Australia, South Africa, and again in England, have, I believe, confirmed the hopes of their sponsors. I am sure that this, the Sixth Conference, will provide further evidence that co-operation in the field of forestry science, even between countries whose physical and other conditions differ widely, is profitable to all concerned.

"Many of the member countries of the Commonwealth have forest conditions and forest problems of marked similarity because they lie in the tropical and sub-tropical regions of the world. Canada's position is unique in the Commonwealth since it lies in the north temperature zone and a very large proportion of our forests is coniferous rather than broad-leaved. Canada is unique also in the large scale of our forest industries and in the relative importance of forests and forest products in the national economy.

"Here in Canada, where forests are our most important natural resource, when viewed in terms of dollars in our overall economy, we are aiming at nothing short of the type of forest management that will result in sustained yield. Those of us who have responsibilities in the field here must see to it that our forests will continue to be capable of yielding at their present or even increased rates in perpetuity for oncoming generations.

"Under our system of Government, jurisdiction over and responsibility for natural resources is vested in Provincial Governments. But forests are national in scope and they are vital to the overall economy. The Federal Government has, therefore, over the years undertaken a number of measures in this field designed to supplement and encourage the good work all Provincial Governments are doing..."

MINISTER TO NORWAY, ICELAND: The Secretary of State for External Affairs, Mr. L.B. Pearson, announced on August 12 the appointment of Mr. J.B.C. Watkins as Canadian Minister to Norway and Iceland. Mr. Watkins will succeed Mr. E.J. Garland who is retiring this summer after having served for over twelve years in Dublin and Oslo.

Mr. Watkins joined the Department of External Affairs in September, 1946, and was appointed Chargé d'Affaires ad interim in Moscow in 1948. In 1951 he was recalled to Ottawa to become head of the European Division. Mr. Watkins attended the Fourth Session of the General Council of the United Nations Educational, Scientific and Cultural Organization in Paris in 1949 as Canadian Delegate and the High Frequency Broadcasting Conference in Florence and Rapallo in 1950.

Mr. Watkins was born at Norval Station, Ontario, on December 3, 1902. He is a graduate of the University of Toronto (M.A. in English) and Cornell University (Ph.D. in Scandinavian Studies). He was associated with the American-Scandinavian Foundation in New York from 1930 to 1945 when he resigned as Secretary of that organization to become Associate Professor of English at the University of Manitoba.

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FIRST FLIGHT COMMEMORATED: In commemoration of the first military aircraft flight in Canada, made 43 years ago, the Minister of National Defence, Mr. Claxton, unveiled a cairn erected at Camp Petawawa on August 12. The man who piloted the history-making plane on the morning of August 2, 1909, The Honourable J.A.D. McCurdy, Lieutenant-Governor of Nova Scotia, was present to take part in the ceremonies.

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HANDICRAFTS FLOURISH IN CANADA: More than 400,000 Canadians go in for some form of handicrafts. It is a profitable activity, and in 1951 sales of Canadian handicraft products were estimated at about \$100,000,000. Marking this expansion will be National Hobbycraft Week in Canada, from October 18 to 25, and the National Hobbycraft and Handicraft Show in Toronto, October 21 to 23.

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STORE SALES UP: Department store sales were 10.9 per cent higher in June than in the same month of 1951, and there was a gain of 2.7 per cent in the first six months of this year.

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In the decade between 1941 and 1951, Canada's advertising agencies more than tripled their volume of business from \$29,224,400 to \$108,413,585.

(Continued from P. 1)

NEW HALF YEAR EXPORT RECORD

\$51,267,000 in the corresponding month last year. This raised the cumulative total for the first six months of the year to \$393,976,000 from \$253,523,000 a year earlier. Although most main commodity groups moved higher both in the month and six months a large part of the increase occurred in the agricultural and vegetable, animals and animal products (which include shipments of beef), wood and paper and non-metallic minerals and products sections.

Shipments to all other Commonwealth countries rose in June to \$18,647,000 from \$14,855,000 in the same month last year, and to \$147,417,000 in the half year from \$105,260,000. There were gains both in June and the six months to the Union of South Africa, India and Pakistan, Australia and New Zealand.

LATIN AMERICA

Exports to Latin American countries rose in total value to \$19,952,000 in June from \$11,207,000 in the corresponding month last year bringing the cumulative total for the first six months of this year to \$148,330,000 as compared with \$79,748,000 a year earlier. Brazil, Cuba, Mexico, Peru, and Venezuela accounted for a large part of the gain in June and the six months. Exports of automobiles were an important part of the increases to this region.

With substantial gains in the value of exports to a majority of Canada's European markets area total rose in June to \$47,102,000 from \$32,195,000 in the corresponding month last year, and to \$191,959,000 in the half year from \$114,606,000. Belgium and Luxembourg and Switzerland were the chief exceptions to the rise in June but their half-year totals were substantially larger than a year ago.

Exports to the remaining group of foreign countries in June were valued at \$13,373,000 as compared with \$13,010,000 in the same month last year, bringing the six-month total to \$86,853,000 as compared with \$69,382,000 in the similar period of 1951. Exports to Japan -- which accounts for a large part of the total -- were valued at \$7,418,000 in June as compared with \$8,289,000 a year ago and \$41,334,000 in the half-year against \$35,729,000.

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HARVESTER MOVEMENT The annual movement of harvesters to the Prairie Provinces arranged under Federal-Provincial Farm Labour Agreements commenced this week with the bulk of the movement taking place the latter part of this month and the early part of September, it was announced August 12 by the Minister of Labour. Present indications are that about 2,500 workers will be required.

UNION MEMBERSHIP AT PEAK The Minister of Labour, Mr. Milton F. Gregg, stated on August 14 that there were 1,146,121 members of labour organizations in Canada at the beginning of 1952, according to the forty-first annual survey of the Canadian Department of Labour. Many unions covered by earlier surveys reported gains in membership. However the increase of 117,600 over the 1951 figure results in part from an increase in the coverage of the survey rather than from an increase in union membership. The current report includes returns from independent groups having a total membership of 24,350 which, although previously in existence, were not included in earlier surveys.

More Canadian workers are members of labour unions today than at any other time Mr. Gregg said. Not only is union membership at its highest level numerically, but the proportion of workers who belong to labour organizations is greater than in any previous period. In 1911, the year of the first published survey of the Department, less than one-tenth of non-agricultural workers were members of labour organizations. In contrast, more than 30 per cent of the present-day labour force belong to labour unions. Union development as reflected in the survey has been uneven through the years. For example, the membership increase of 11.4 per cent over the past year has only been exceeded in 12 separate years, and the numerical advance of 117,600 members is among the largest recorded in the same period.

Unions active in Canada include 108 international and 62 national and regional organizations, which take in nine of every 10 trade unionists. Directly chartered and independent locals account for the remaining one worker in 10. The internationals have in their membership seven out of every 10 Canadian unionists as compared with two out of every 10 who belong to national or regional organizations. The majority of unions in Canada have 5,000 or fewer members, but, in total, these account for less than 20 per cent of the Canadian membership. More than one-half are in 19 unions, each having 15,000 or more members.

One hundred and twenty-five international, national and regional unions are affiliated with one or other of the three Canadian central bodies -- the Trades and Labour Congress of Canada, the Canadian Congress of Labour and the Canadian and Catholic Confederation of Labour.

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At last count 46 per cent of Canada's manufacturing concerns were individually owned, 15.8 per cent were partnerships, 35.3 per cent were incorporated companies and 2.9 per cent were co-operatives.

INVENTORIES \$3,483,000,000: Value of inventories held by Canadian manufacturers at the end of May was \$3,483,000,000, a slight drop from the preceding month's total of \$3,486,200,000, but a rise of 11.5 per cent over the May, 1951 value of \$3,121,500,000. Value of shipments increased 6.7 per cent over April and about one per cent over May last year.

In terms of index numbers, May inventories were 187.1 per cent of the average 1947 value as compared with 187.3 at the end of April and 167.7 a year earlier. The index for total shipments was 188.5 as against 176.6 at the end of April, and 186.5 a year ago.

A compilation of total outstanding orders at the end of April for approximately 900 plants in 65 industries show a level of unfilled orders equal to 5.2 times the April shipments values for reporting firms, an increase of 2.0 per cent over the previous month. The preliminary outstanding orders index at the end of May was 96.8 per cent of the January, 1952 base values for these same establishments and 1.1 per cent lower than the April index.

ALUMINUM PEACETIME RECORD: Production of aluminum in Canada in 1951 was 444,741 tons, a peacetime record and 90 per cent of maximum wartime output achieved in 1943.

Important developments now underway will add greatly to Canada's productive capacity for ingot aluminum. At Kitimat, British Columbia, Aluminum Company of Canada Limited is building an aluminum reduction works which will have an ultimate capacity of 500,000 tons annually. The first production is scheduled for early 1954 at the initial rate of 91,000 tons per year. A major hydro electric power development is under way to supply the requirements of the new plant.

In the Province of Quebec, a new reduction works at Isle Maligne with an annual capacity of 50,000 short tons is nearing completion. Two hydro electric power sites on the Peribonka River are being developed to supply the new plant as well as increase power to all the Saguenay plants.

Canada is the second leading aluminum-producing country with approximately one-fifth of the world's smelting capacity.

AAF CENTRAL EUROPE: The increasing responsibilities of Headquarters, Allied Air Forces Central Europe in the field of logistics has resulted in a staff re-organization by General Lauris Norstad, the commander in chief, bringing about new emphasis on this activity. In announcing the staff changes on August 13, General Norstad elevated Air Vice Marshal John L. Plant, CBE, AFC, of the RCAF from assistant chief of staff, logistics and personnel, to the status of one of his three major deputies.

JUNE AUTO SALES \$107,336,831: Sales of new motor vehicles increased sharply in June for the second month in a row, according to the Dominion Bureau of Statistics. The two-month gain was not sufficiently large to offset decreases in the January-April period and cumulative sales for the first six months of 1952 were down both in volume and value from a year earlier. Financing of sales of both new and used motor vehicles showed marked expansion in June and the half year.

A total of 43,573 new motor vehicles were sold at retail for \$107,336,831 in June as compared with 32,680 for \$83,749,780 in the corresponding month last year. This brought the cumulative total for the first six months of 1952 to 213,753 units which retailed for \$540,059,416 as against 242,217 units sold for \$585,153,556 in the similar period of 1951.

RECORD ASBESTOS PRODUCTION: Canadian production of chrysotile asbestos established a record in 1951 for the second successive year. Shipment of 967,375 tons of all grades valued at \$78,792,067 was an increase of 11 per cent in volume and 19 per cent in value over the previous year. The greater increase in value is mainly a reflection of higher prices affecting all fibre groups. Output came principally from the Eastern Townships of Quebec but also from Matheson in northern Ontario where the new mine of Canadian Johns-Manville Company Limited completed its first full year of production. Most of the output is exported, over 74 per cent alone going to United States.

CANADA-U.S. RADIO CONVENTION: The Minister of Transport, Mr. Lionel Chevrier, announced August 12, the coming into effect of a Reciprocal Radio Convention between Canada and the United States relating to the operation by citizens of either country of certain radio equipment or radio station when in the other country. The Convention was ratified by Canada on May 31, 1951. The administrative detail associated with the bringing of the articles of the Convention into operation have now been completed and they become effective today by simultaneous announcement in both countries. The Convention will remain in force for a minimum of five years, subject to termination by either country.

LIVING COST INDEXES: Cost-of-living indexes for seven of the nine regional centres advanced between June 2 and July 2. The index for Toronto remained unchanged at 184.4 and that for Vancouver declined 0.8 points to 189.8. Substantial fluctuations in food prices were mainly responsible for the changes in city living costs. Eggs were seasonally higher at all centres while meat prices advanced in most cities.

1951-52 BUDGETARY SURPLUS \$248,000,000

FINAL FIGURES: The Minister of Finance, Mr. Douglas C. Abbott on August 9 released a statement of the final figures of the Government of Canada's budgetary revenues and expenditures for the fiscal year 1951-52 and of the Government's assets, liabilities and net debt position as at March 31, 1952.

The statement shows that for the fiscal year, the budgetary surplus was \$248 million, or \$108 million less than the estimate of \$356 million given in the Budget Speech of April 8, 1952. Revenues as finally determined were \$3,981 million as compared with the budget forecast of \$4,003 million, while expenditures were \$3,733 million compared with the forecast of \$3,647 million.

Mr. Abbott pointed out that final revenue figures were \$22 million less than the preliminary estimates given in the budget, due to a shortfall of \$31 million in tax revenues, offset to the extent of \$9 million by higher receipts of non-tax revenues and special receipts. Final expenditure figures were \$86 million above the budget estimates, due almost entirely to a change in the treatment of interest on public debt.

"Since the budget", Mr. Abbott stated, "as I explained when releasing the Government's financial statement for May 1952, I decided,

in order to give a better current picture of expenditures month by month, that interest on the public debt should be charged to budgetary expenditures monthly as it accrued instead of annually or semi-annually as it became due and payable.

"This change in practice is reflected in the 1951-52 accounts and as a result the expenditures for the fiscal year, as finally determined, include an additional \$87.5 million for interest accrued from the last interest payment date of each loan to March 31, 1952. If this change had not been made, the budgetary expenditures for the year would have been \$3,645 million as compared with the total of \$3,647 million forecast in the budget, a difference of only \$2 million, and the budgetary surplus would have been \$336 million."

The statement also shows that at March 31, 1952, gross liabilities of the Government amounted to \$17,257 million, of which \$14,695 million consisted of unmatured funded debt. As active assets totalled \$6,072 million, the net debt of Canada was \$11,185 million compared with \$11,433 million at the end of the preceding fiscal year, the decrease of \$248 million being the equivalent of the budgetary surplus for the fiscal year.

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ALBERTA ELECTION FINAL RESULTS: The composition of Alberta's next Legislature was finally determined on August 14 with the election on the third count of a Social Credit candidate in Lac Ste. Anne, northwest of Edmonton.

The final party standing, with comparative figures for the 1948 election and at dissolution:

	1952	1948	Dissolution
Social Credit.....	52	51	49
Liberal.....	4	2	3
CCF.....	2	2	2
Prog. Conservative ..	2		
Ind. Social Credit ..	1	1	3
Independent		1	
Total.....	61	57	57

SHOE INDUSTRY NEARS CENTENARY: The Canadian shoe manufacturing industry is fast approaching its 100th birthday. In the first half of the 19th century, Canadians ordered their shoes from small home workshops or bought the products of the New England factories. But in 1859, shoe manufacturers in this country received special concessions from the Government to encourage their infant industry. By 1900, some 179 plants, employing 13 thousand people, were turning out shoes valued at \$18 million. In 1950, 292 shoe factories (most of them located in Ontario and Quebec) had a production valued at \$111 million and employed 21,000 persons. In fact, shoe manufacturing has become one of the forty leading Canadian industries....

Several of the leading shoe manufacturers in Canada have been operating continuously for the past 75 or more years....



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
 DEPARTMENT OF EXTERNAL AFFAIRS
 OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

COMMONWEALTH FORESTRY CONFERENCE: Canada will be host to top-ranking forestry experts when the Sixth British Commonwealth Forestry Conference is opened by the Minister of Resources and Development, Mr. Robert H. Winters, August 11. Not since the Second British Empire Forestry Conference met here in 1923 has Canada welcomed so distinguished a cross-section of forest authorities from the Commonwealth.

The Conference will be held in the Railway Committee Room of the House of Commons. Sessions on the first three days will be open to the press. The Minister will be host on behalf of the Government of Canada at an official luncheon of welcome on the opening day.

Delegates reaching Ottawa this week hail from the United Kingdom (Forestry Commission of Great Britain; Commonwealth Forestry Bureau; the Colonial Office; the Forest Products Research Laboratory; the Forestry Department of Aberdeen University and the British timber trades); Australia; New Zealand; South Africa; East Africa; India; Pakistan; Kenya; Northern Rhodesia; Southern Rhodesia; British Guiana; Jamaica; Malayan Union; Nigeria; Tanganyika; Trinidad and British Honduras; Uganda and the Sudan. The United States Forest Service and the Food and Agriculture Organization of the

United Nations will also be represented by observers.

Among noted visiting delegates are Lord Robinson, O.B.E., Chairman of the 14-man United Kingdom delegation; F.S. Collier, C.B.E., Forestry Adviser, Colonial Office; G.J. Rodger, Director General of Forests, Forestry and the Timber Bureau of Australia; G.H. Hocking, Senior Forester, New Zealand Forest Service; A.D. Mitchell, Director of Forestry, South Africa; Dr. A.L. Griffith, East Africa High Commission; C.R. Ranganathan, President of the Forest Research Institute and College of India; M.D. Chaturvedi, Inspector General of Forestry for India; Y.S. Ahmad, Ministry of Food and Agriculture, Pakistan; and, as observers, Dr. J.A. Hall, Director of the U.S. Forest Products Laboratory, and T. Francois, Forestry Division of F.A.O.

The Canadian delegation is headed by Dr. D.A. Macdonald, Director of the Federal Forestry Branch.

On August 14 delegates will leave Ottawa for a tour of Quebec as guests of the Quebec Department of Lands and Forests.

On August 29 delegates will return to Ottawa for sessions that will last until the conference closes on September 13. Those whose schedules permit will then travel as far west as British Columbia.

FELLOWSHIPS AND SCHOLARSHIPS: The Secretary of State for External Affairs, Mr. Pearson, announced on August 1 that the Government of Canada had made arrangements to use part of the blocked balances standing to its credit in France and The Netherlands to provide Fellowships and Scholarships for Canadians to study in those countries. It is hoped that the plan will be extended later to include Italy.

The nomination of candidates will be the responsibility of the Royal Society of Canada which will establish appropriate selection committees. Candidates, whether for fellowships or for scholarships, should apply to the Awards Committee, Royal Society of Canada, National Research Building, Ottawa. All applications should be submitted before September 1 next. The National Research Council and the Department of External Affairs will provide facilities to deal with problems of foreign travel and for payments from blocked currency accounts.

AWARDS OF TWO KINDS

The awards will be of two kinds:

(a) Fellowships of a value of \$4,000 for twelve months will be awarded for advanced study in the arts, humanities, social sciences, sciences and professions. In addition, travel expenses both ways from a North American port will be provided from the blocked currencies. Candidates must be over thirty years of age and must already have established reputations in their field of study, their art or profession.

Fellows will not be required to register at any institution or school, but must submit a precise plan of the research or advanced work in their art or profession. The purpose of the Fellowships is to give Canadian men and women of proven ability an opportunity to spend a year abroad, devoting their time to whatever programme will be of most benefit to them and to this country. In exceptional circumstances, Fellowships may be renewed for not more than one year.

(b) Scholarships of a value of \$2,000 for twelve months are intended for advanced students in the humanities, social sciences and sciences. Applicants must have received a Master of Arts degree or its equivalent from a university of recognized standing. Travel expenses both ways from a North American port will also be paid. Candidates will be required to supply an outline of the courses they propose to follow and they must undertake to become enrolled at an educational institution of recognized standing.

The purpose of the Scholarships and Fellowships is to enable Canadian students of exceptional promise to work towards a higher degree in France or The Netherlands.

MORE IMMIGRANTS FROM U.K.: The Minister of Citizenship and Immigration, Mr. Walter Harris, announced on August 5, that during the first six months of this year a total of 98,057 immigrants had arrived in Canada. This was an increase of 23% over the 79,785 who arrived in the first six months of 1951.

Arrivals from the United Kingdom, totalling 23,001 showed the greatest percentage increase of all groups over the 1951 figures. British immigration was up 63%, and the six months total of 23,001 for 1952 compares with 14,130 a year ago. The number of British exceeded by about 8,000 the total from any other country.

There was also an increase in the number of arrivals of French immigrants. These totalled 2,767 for the first six months of 1952 as compared with 2,272 for the first six months of 1951. The total of all Northern European immigrants was up about 40% while arrivals from the United States numbered 3,931 for the first six months of 1952 up 7% over the same six months a year ago.

Immigration from other than Britain, United States, France and the Northern European countries was down 5% totalling 32,647 as compared with 34,540 for the first half of 1951.

Included among the arrivals this year has been a total of 54,103 workers and 43,954 dependents, with farming accounting for 11,551 of the workers, skilled workers totalling 14,995, and unskilled and semi-skilled 14,181.

Canadians returning from the United States also increased by about 33% with 2,494 returning in the first six months of 1952 as compared with 1,825 in the first six months of 1951.

* * * *

VISITORS FROM BRITAIN: The commandant, two members of the directing staff and 13 students of Britain's Imperial Defence College arrived in Ottawa on August 4 to begin a month-long tour of Canada and the United States, National Defence Headquarters has announced.

Leading the party is Gen. Sir Frank Simpson, Commandant of the Imperial Defence College, with Maj.-Gen. R.A. Hull, British Army; and P.H. Dean, British Foreign Service, both members of the College's directing staff.

The party will spend three days in Ottawa and will then visit industrial and defence establishments at Petawawa, Sudbury, Toronto, St. Catharines, Niagara Falls, Port Arthur, Fort Churchill, Whitehorse, Vancouver, Victoria, Lethbridge and Edmonton.

From Edmonton, the group will fly to Denver Aug. 19, for a week's tour in the United States. Gen. Sir Frank Simpson will return to England from Denver. Returning to Canada Aug. 27, the party will visit Montreal, Bagotville, Arvida, Que., Quebec City, Greenwood, N.S., Kentville and Halifax. The group plans to return to London on September 4.

\$25,000,000 TRAINING CAMP: The Minister of National Defence, Mr. Brooke Claxton, announced on August 1 the intended construction of a \$25,000,000 military training camp in the Province of New Brunswick. He indicated that construction would commence in 1953 and that it would take between two and three years to complete accommodation so that a brigade could train in winter as well as in summer.

Mr. Claxton said, in part:

"Increase in the size of the Canadian Army, together with the need to provide in Canada for training to the standard of full battle fitness has made it necessary to have a training area large enough to train major formations using modern weapons with their increasing ranges and safety areas. Such an area should be located in a place where the snowfall and temperature permit training throughout most of the year. Preferably, it should be located on the east coast and close to a major port.

"Representations have been received from many quarters urging that the training area should be established in a number of different places in the Maritime provinces.

EXTENDED SURVEYS

"Extended surveys have been carried out both from the air and on the ground. These showed beyond question that the area having the most advantages which, having regard to these, could be acquired with the least displacement of existing population and at the lowest cost, was an area measuring some 20 by 30 miles to the northwest of Saint John, New Brunswick. This area is situated in the two Counties of Queens and Sunbury....

"Discussions have taken place with the Premier of the Province of New Brunswick who has urged for some time that the area should be located in New Brunswick as he felt that a major defence project should be established in that Province....

"Development will proceed progressively in planned stages during which every consideration will be given to local municipal authorities and to residents who will be given reasonable time to re-locate themselves elsewhere. Even in the case of the campsite, the location of which has not yet been determined, occupancy of the properties taken will be allowed until the commencement of the building season in 1953....

"It is estimated that the total cost of the development, including acquisition of land and construction of buildings and services, will exceed twenty-five million dollars. Construction will involve employment on a large scale. It is expected that the permanent camp population, including civilian employees, will exceed three thousand with many thousands more using it during periods of training. The development will be a major source of continuing employment and expenditure in the Province.

"Factors taken into consideration in selecting the site include:

1. The ground is tactically suitable, resembling that found in parts of north west Europe and permitting the use of tracked and wheeled vehicles over a considerable portion.

2. The climate is such that field training can be carried on in all seasons.

3. The area is served by good communications and is well located for the concentration of troops prior to movement abroad.

4. The area is relatively sparsely populated.

"It will take between two and three years to complete accommodation so that a brigade can train in winter as well as in summer and to provide facilities for divisional training throughout the year in emergency-type accommodation."

* * * *

SECURITIES TRADE: Canada had a purchase balance of \$9,300,000 in May -- the first since last November -- in security transactions with other countries, total purchases of outstanding securities in the month amounting to \$53,700,000 and sales to \$44,400,000.

Net repurchases of Canadian Government bonds from holders in the United States in May rose to \$17,500,000 and were supplemented by \$3,000,000 in "provincials." These far outweighed sales balances with the United States of \$6,300,000 in Canadian corporation bonds and \$4,600,000 in Canadian stocks. Overall purchase balance with the United States was \$8,900,000.

During the first five months this year, net repurchases of Canadian Government bonds from the United States totalled \$58,000,000 and balanced net sales of approximately the same amount in Canadian corporation bonds and Canadian stocks. Largely due to these offsetting transactions, sales and purchases with the United States during the first five months were almost in balance at \$240,200,000 and \$240,800,000, respectively.

Trade with the United Kingdom was lighter than in April with sales at \$2,300,000 and purchases at \$2,900,000. Trade with other countries was also lower, and produced a sales balance of \$200,000.

* * * *

RCAF STATION COMOX, B.C.: A Maritime Reconnaissance Squadron is in process of formation at RCAF Station Comox, B.C., it was announced on August 6 by Air Force Headquarters. Equipped with Lancaster aircraft, the squadron will be responsible for reconnaissance, search, strike action against submarine and surface vessels and will do escort operations in conjunction with the Royal Canadian Navy.

RCAF Station Comox opened early last month. The station will be the home of two new squadrons, 407 which is now forming, and a jet fighter squadron equipped with Canadian-made jet aircraft which is expected to form in 1953.

"CREATING SITUATIONS OF STRENGTH"

MR. WRONG'S ADDRESS: The Canadian Ambassador in Washington, Mr. Hume Wrong, on July 26 delivered an address to the Colgate University Conference on Foreign Policy dealing with the theme, "Creating Situations of Strength"

The following is the concluding portion of Mr. Wrong's address:

"It may seem ungenerous to argue that our countries have not done enough to build up the economic strength of the free world. There has been a vast outpouring of economic aid from North America since the end of the war, in loans, in grants and in other ways. Huge volumes of needed supplies have been financed by our treasuries for the use of nations stricken by the war or in distress for other reasons. The Canadian share in these efforts has been roughly proportionate to that of the United States, considering that the national incomes of the two countries stand in the ratio of about one to fifteen. These efforts certainly have not been in vain. The volume of industrial production in Western Europe, and indeed throughout most of the free world, has risen far above its pre-war level, so that industrial output is now probably half as much again as it was in 1938.

"Yet one of the central purposes of the economic aid granted to other countries since the end of the war has been to promote multilateral trade and to remove from its channels blockages of the sort which still persist. It is the hard truth that the longer these blockages continue, the harder they become to remove, they acquire what someone has called the inertia of an established institution; behind them, uneconomic producers take root and acquire influence; the powers of survival of sheltered infant industries are well known. The restoration and expansion of the industrial productivity of Western Europe, to which the Marshall Plan contributed so greatly and successfully, has, indeed, in some cases itself encouraged the maintenance of import restrictions or other protectionist tendencies.

"To many people abroad these consequences seem to have stemmed from a single cause, which they may label briefly the dollar problem, or sometimes the American balance-of-payments problem. How, they ask, can we make our currencies convertible, lift our discriminatory import restrictions and reduce some of our tariffs when the result will be a greatly increased inflow of goods from North America for which we cannot pay in dollars? 'By and large, they may say, we have managed to keep our heads above water only because we have been receiving gifts and loans from the United States and Canada to help us buy what we must have and can only get in the dollar area. Give us a chance to earn more dollars. Once our sales of goods and services to North

America begin to balance our purchases, then we can begin to set about an orderly removal of all these abnormal obstacles to trade'.

"It is clear that this is far too simple an explanation; though far from being the whole truth, it has real elements of truth which we should recognize and examine. Hitherto, in considering the creation of greater economic strength in the free world, I have made no distinction between the position of Canada and that of the United States. It is now necessary for me to do so.

"Only last December were the residual restrictions on the convertibility of the Canadian dollar removed, with the surprising result that it now stands at a premium over the U.S. dollar. We have had in Canada, since the end of the war, a U.S. dollar deficiency of the same sort that still afflicts nearly all other countries. Canadian purchases of goods and services tended to exceed, and in some years very substantially exceeded, the proceeds of Canadian exports. By good luck, not unassisted by good management and by a substantial inflow of capital from this country, Canadian exchange reserves, which were dangerously depleted four or five years ago, have now risen to satisfactory levels. International trade, on which the Canadian economy is far more dependent than that of the United States, has increased substantially. Restrictions on imports, which had to be imposed in 1947 because of the heavy drain on reserves, disappeared some time ago. There have been many reductions in Canadian tariff rates. All this means that the Canadian current balance of payments differs greatly in character from that of the United States. In the single month of May of this year the exports of the United States exceeded the imports by no fewer than \$625 millions.

"Of course the Canadian performance in seeking to foster the restoration of multilateral trade has not been perfect. If, however, we waited to find a representative of a country which was without sin to cast the first stone, we should wait forever. The consistently declared aim of the international economic policies of both countries has been the achievement of multilateral trade at a high level. Performance, however, has lagged behind policy, and it has done so rather more in the United States than it has in Canada for reasons which I need not go into."

Here Mr. Wrong quoted from a letter by President Truman to the members of the Public Advisory Board for Mutual Security in which the President mentioned the growth in the United States of "an increasing body of restrictive laws attempting to further the interests of particular American producers."

"Mr. Truman cited the so-called 'cheese amendment' as an instance in which performance

has departed from policy". Mr. Waring continued, "This restriction, enacted by Congress on imports of cheese and other dairy products, is admittedly in contravention of trade agreements and a violation of the general agreement on tariffs and trade. Numerous applications for higher duties are now before the Tariff Commission, many of which, if granted, would require resort to the escape clauses in trade agreements. It is also not widely realized that the basic law which governs the administration of customs is still the Tariff Act of 1930 - the famous Hawley-Smoot Act; an important measure to amend it so as to bring customs procedures into conformity with simpler standards, agreed between most of the free countries and enacted by many of them, has been before the Congress for several years without final action.

"None of these matters is in itself a very big thing. Inside the United States these protectionist breezes may not seem important. In other countries, however, and not least in Canada, they are felt as a chill wind. Producers abroad ask whether it is worth their while to expend money and effort in finding new markets in the United States when success might be met with the imposition of a new tariff or quota restriction. Thus such small new obstacles to trade as the 'cheese amendment' look a great deal bigger when viewed from outside....

"The Western world must aim not only at creating situations of strength, but at maintaining them indefinitely. To do so, its economic power must be made more secure. It must be supported by the development of new sources of the materials needed to keep up its productivity, to maintain its social structure, and to equip its armed forces. Its resources are great, but not so great that any unnecessary drain on them can be afforded, such as that which arises from abnormal import restrictions and currency arrangements. Somehow or other means must be found to mend this 'chink in the armour of the free nations'."

* * * *

FIRST FRUIT CROP ESTIMATE: First estimates of Canada's 1952 fruit production released August 5 by the Bureau of Statistics indicate that crops of apples, pears, plums, and prunes, and grapes will be moderately smaller than in 1951, while output of all other fruits will be up to some extent although only the apricot crop is expected to show a large increase. The apple crop for all Canada is presently estimated at 12,844,000 bushels, down from 13,613,000 last year, with lower yields in Ontario, Quebec and New Brunswick outweighing larger crops in Nova Scotia and British Columbia.

ABOVE AVERAGE CROPS: All indications now point to above-average grain yields in the Prairie Provinces. Moisture is in sufficient supply to mature early-seeded crops in nearly all areas. Some further rain, however, would benefit late-seeded crops, particularly in southern parts of Saskatchewan and in some eastern and northern sections of Alberta. Damage from insects has been light this season to date and hail losses have been generally moderate. With warmer weather, extensive rust damage is not anticipated.

General rain over last week-end in Manitoba checked harvesting operations which were getting nicely under way. The additional moisture, however, will aid in completion of filling of grain crops and be of special benefit to late-seeded crops. Except for a small area around Altona where about half the crop has been swathed and some combined, only one to four per cent has been cut elsewhere in the Province.

Favourable crop conditions have been maintained throughout Saskatchewan and moisture supplies are generally satisfactory. Additional rain, however, would benefit late crops particularly in southern areas.

Weather in Alberta has been quite favourable for crop development during the past two weeks. Hail losses have been moderate although some severe storms have occurred. Yield prospects are excellent in nearly all districts. Sufficient moisture reserves are now available in most areas to fully mature early crops although in some eastern and northern districts warm weather without further precipitation could reduce yields somewhat. Late crops in a number of districts will require further moisture for complete development.

* * * *

CHEQUES CASHED \$59 BILLION: Value of cheques cashed against individual accounts in the first half of 1952 climbed 11 per cent to a new peak of \$59,674,597,000 as compared with \$53,815,991,000 in the corresponding period of 1951. Total for June was also up 11 per cent at \$10,524,543,000 as compared with \$9,500,212,000 a year earlier. There were increases both in the month and six months in all five economic areas.

* * * *

SECURITY PRICES UP: Common stock prices continued to move upward in July, the Bureau's composite index for 105 common stocks (based on 1935-1939=100) rising from 172.0 for the week ended June 26 to 175.0 for the week of July 24. Among group changes, the index for 82 industrials advanced from 175.1 to 178.6, the index for 15 utilities stiffened from 167.7 to 169.5, and the series for eight banks from 150.0 to 152.4.

LIVING COSTS UP SLIGHTLY: The Dominion Bureau of Statistics cost-of-living index increased 0.4 per cent or 0.7 points between June 2 and July 2, to reach 188.0. This marked an increase in two months of 0.7 per cent, following a decrease of 2.5 per cent during the previous four months, and placed the index slightly above the level of July, 1951. The latest increase was entirely attributable to foods, with other group indexes remaining unchanged or decreasing slightly. The food index advanced from 237.0 to 239.5.

The index of clothing prices decreased from 209.3 to 209.1 following minor declines throughout the clothing group. Homefurnishings and services moved down from 197.2 to 196.7 as a result of declines concentrated in floor coverings and electrical goods.

* * * *

CBS TELEVISION INAUGURATION: Opening dates for the first regular service of CBC television transmissions were announced on August 6 by Mr. A.D. Dunton, Chairman of the CBC Board of Governors. Regular service will begin in Montreal from station CBFT, Channel 2 on Saturday, September 6. The Toronto station, CBLT, on Channel 9, will begin regular program service two nights later - Monday, September 8. Official opening ceremonies will be held in Montreal and Toronto on the respective dates.

* * * * *

1951-2 GRAIN EXPORTS SET RECORD: Canadian exports of grain reached an all-time record in the crop year ended July 31, 1952, stated the Minister of Trade and Commerce, Mr. C.D. Howe, on August 7. Preliminary returns indicate grain exports of 509 million bushels for the crop year 1951-52.

Exports of wheat and flour amounted to 357 million bushels while 72 million bushels of oats and 70 million bushels of barley were cleared for export during the crop year. Exports of grain through St. Lawrence ports totalled 191 million bushels, consisting of 132 million bushels of wheat and 59 million bushels of other grains. Pacific Coast shipments of export grain totalled 118 million bushels, as compared with 68 million bushels in the previous crop year. A new record was established in the shipment of wheat through the port of Churchill and substantial shipments were made through eastern Maritime ports.

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WHOLESALE PRICE INDEX: The Bureau's index for 30 industrial material prices showed a further decline between June 27 and July 25 from 249.4 to 247.7, and the preliminary monthly average for this index eased from 248.5 for June to 247.8 for July. The latter figure compares with 297.0 for July last year.

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WEEK'S EVENTS IN REVIEW

5-MONTH TRADE SURPLUS \$109,800,000: In spite of a record value for exports, Canada had a small import surplus of \$700,000 in commodity trade with all countries in May as imports climbed sharply above recent levels to a value more nearly approaching the high values of April, May and June last year. It was the first debit balance since August last year -- and only the third in twelve months -- and compares with a large import surplus of \$78,100,000 in May last year.

Export surpluses ranging from \$21,000,000 in January to \$31,500,000 in March were recorded during the four preceding months, and for the first five months there was a cumulative credit balance of \$109,800,000 which contrasts sharply with a debit balance of \$295,200,000 in the same 1951 period.

Commodity imports in May were valued at \$386,000,000, down 4.7 per cent from the record monthly value of \$405,100,000 for May, 1951, but up substantially from \$324,000,000 and \$327,000,000 in April and March this year. As compared with a year earlier, average import prices were down about 14 per cent but the volume of imports was nearly 11 per cent greater. Total exports in the month were valued at \$385,200,000 as against \$327,000,000 in May last year, an increase of 18 per cent. The volume of exports was nearly 19 per cent greater, export prices being slightly lower.

In the five months ending May, imports were

down 6.7 per cent in value to \$1,626,100,000 this year from \$1,742,000,000 in 1951, while total exports -- domestic and foreign combined -- increased about 20 per cent to \$1,735,900,000 as compared with \$1,446,700,000.

Imports from the United States increased moderately to \$282,900,000 from \$273,200,000 in May last year, to reach a record monthly value, while total exports to the United States declined slightly in value to \$202,000,000 as compared with \$211,400,000. The result was a rise in the import surplus with the United States to \$80,900,000 as against \$61,700,000. In the five months, imports were down fractionally in value at \$1,222,500,000 from \$1,229,600,000, and total exports to the United States almost unchanged at \$937,600,000 as against \$936,000,000, the cumulative import balance easing to \$284,800,000 from \$293,600,000.

In trade with the United Kingdom, imports were down in May to \$33,200,000 from \$43,600,000 a year earlier and total exports up sharply to \$86,100,000 from \$47,300,000, resulting in a greatly increased export balance of \$52,900,000 as compared with \$3,800,000 last year. Imports were also down sharply in the five months to \$129,900,000 from \$184,700,000, and exports up steeply to \$313,100,000 as against \$202,800,000, the cumulative export balance rising to \$183,300,000 from \$18,100,000 for January-May, 1951.

(Continued on P. 4)

TWO YEARS OF KOREAN AIRLIFT: On July 27 the RCAF's 426 Transport Squadron, the Thunderbirds, completed two full years of continuous operations as part of the Korean air run between the West Coast of the United States and Japan. Commenting on the success of this "greatest airlift of all time," the Royal Canadian Air Force reported in a statement on July 28:

"Since 426 began the airlift two years ago they have recorded more than 25,000 flying hours, and have flown 4,300,000 statute miles back and forth across the Pacific. The Thunderbird North Stars have carried very close to 5 million pounds of freight and mail and more than 10,000 passengers, including many wounded brought back from the Far East...."

"The squadron went through a hectic period at first, maintaining a flight-a-day schedule with but six aircraft on strength. The aircraft total was raised to eight and then to 12, easing the pressure somewhat, although the schedule still called for top efficiency from personnel and aircraft. This was during the early days of the airlift, when the situation in Korea called for a maximum effort to rush urgently needed supplies and equipment to the hard pressed United Nations forces there

"Requirements have since been eased and for the last few months 426 has been flying eight round trips a month in place of the original one-a-day schedule. During the critical period the Thunderbird aircrew were logging as much as 160 hours a month through some of the 'dirtiest' flying weather to be found anywhere. This maximum effort was made possible through the unceasing efforts of the unit's ground crew and by the magnificent performance of the Canadair produced North Stars.

"The initial route was by way of Anchorage, in Alaska; Shemya, in the Aleutians, and on to Haneda airport outside Tokyo, and was a struggle with fog, snow ice and headwinds. The homeward flight was at first made over the same route, but this was later changed to allow familiarization with the southern routes, which included put downs at such points as Iwojima, Wake Island and Honolulu. Today the Thunderbirds are again flying the northern route both ways ..."

* * * *

EMPLOYMENT IMPROVES: Employment conditions in Canada continued to improve during June and the early part of July as construction, agricultural, and manufacturing industries absorbed more workers. The number of job applications on file at National Employment Service offices declined 16,000 during the month as a result of these employment increases to reach a total of 196,200 at July 3, this was about 55,000 higher than the 1951 level, and 1,000 higher than in 1950. Employment registrations on hand fell rapidly during the first three weeks in June and then

levelled off during the week ending July 3 because of the heavy registration of high school students during the week and the rapid deterioration of the labour market in the Pacific region

Throughout most of Canada seasonal increases in agricultural and construction employment are continuing. Recruiting for work on defence projects in Newfoundland and Labrador is absorbing a large number of surplus construction workers, particularly in the Maritime provinces. In the manufacturing industries, production of electronics, aircraft and shipbuilding plants has been steadily increasing, while the pick-up in sales of consumer durable goods has been reflected in increased employment in the furniture, radio, electrical appliance and automobile industries. The United States steel strike may cause some reduction in manufacturing employment this month but most plants are trying to continue operations at a slightly reduced rate until they close for holidays.

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UNEMPLOYMENT INSURANCE: Unemployed Canadians who are covered by Unemployment Insurance are now drawing benefits at new, higher rates this week, the Minister of Labour, Mr. M F Gregg, has announced.

Mr Gregg explained that the new rates were among the amendments to the Unemployment Insurance Act authorized by Parliament. The amendments were effective July 14 and the new benefit rates became payable this week.

The major amendments to the Act, besides providing for higher benefit rates with no increase in contributions, also reduced the number of "waiting days" and extended the time during which workers in seasonal industries can draw supplementary benefits.

The increased benefit rates apply to the top five of the seven benefit classes. In the top class, a person with a dependent is now entitled to \$24 instead of \$21 weekly, and the other groups have been raised proportionately.

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RISE OF HOURLY WAGES: Average hourly earnings in manufacturing as a whole in Canada showed successive increases in 1951, continuing the upward movement which has been interrupted only a few times in a period of six years, states the Annual Review of Man-Hours and Hourly Earnings released on July 24 by the Dominion Bureau of Statistics. In the post-war period, hourly earnings have risen by over 68 per cent and weekly wages by almost 59 per cent, while the working time has fallen by 2.5 hours per week or 5.6 per cent.

For manufacturing as a whole, the annual average of hourly earnings rose to 116.8 cents in 1951 from 103.6 cents in 1950. These figures compare with 98.6 for 1949, 91.3 for 1948 and 80.3 cents for 1947.

FIRST THREE MONTHS' SURPLUS \$262.5 MILLION

\$21.3 MILLION IN JUNE: The budgetary surplus for the month of June amounted to \$21.3 million, compared with \$141.5 million for May, 1952, and \$49.1 million for June, 1951, the Minister of Finance, Mr. Douglas C. Abbott, announced on July 26.

Budgetary revenues for June, 1952, excluding Old Age Security taxes, amounted to \$328.8 million while expenditures, excluding Old Age Security pension payments, were \$307.5 million. In June, 1951, revenues amounted to \$295.4 million and expenditures to \$246.3 million.

Budgetary revenues for June showed an increase of \$33.4 million over those for June, 1951. This was due principally to increases of \$23.4 million in corporation income tax collections, reflecting higher corporate earnings in 1951 and the increased tax rates imposed in the April, 1951, budget; \$6.4 million in individual income tax receipts reflecting higher personal incomes and increased tax rates; \$3.6 million in return on investments; and \$5.6 million in receipts from excise duties. Excise tax collections for the month were \$8.6 million less than in June, 1951, due mainly to the fact that sales tax collections were credited to budgetary revenues in 1952-53 at the rate of 8 per cent compared with 10 per cent in the previous fiscal year. When the 2 per cent Old Age Security sales tax collections amounting to \$11.1 million are added to the total excise tax receipts, there is a net increase of \$2.5 million in collections.

The increase of \$61.2 million in budgetary expenditures was due principally to an increase of \$52.4 million in the expenditures of the Departments of National Defence and De-

fence Production in June, 1952, over those in June, 1951.

For the first three months of the fiscal year, the excess of budgetary revenues over budgetary expenditures amounted to \$262.5 million compared with \$283 million for the same period a year ago, a decrease of \$20.5 million.

Revenues for the first quarter of the fiscal year were \$996.4 million, which was almost exactly the total forecast by the Department of Finance at the time of the budget. On the other hand expenditures were reflecting the usual trend whereby expenditures in the early months of the year run considerably below the outlays in the latter months. For the first three months of the year, they amounted to \$733.9 million, or only about 17 per cent of the total of \$4,270 million forecast in the budget for the fiscal year as a whole. For the corresponding quarter last year, expenditures were 15½ per cent of the total for the year as finally determined.

Expenditures of the Departments of National Defence and Defence Production do not yet reflect the full magnitude of the defence programme -- for April, May and June they amounted to only \$306 million, or an average of \$102 million per month compared with estimates of \$2,125 million for the fiscal year as a whole. Apart from these outlays for defence, it is to be noted that up to June 30 no new tax agreements had been signed with any of the provinces. Since then new agreements have been under negotiation, which when signed will require four quarterly payments to the participating provinces in the last nine months of the fiscal year.

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TEACHERS' SALARIES. QUALIFICATIONS: Total number of teachers in the publicly-controlled schools of nine provinces -- Quebec excepted -- increased four per cent in 1950 to 59,842 from 57,475, according to the annual report on teachers' salaries and qualifications by the Dominion Bureau of Statistics. With Quebec added, the total for the ten provinces was 85,292 in 1950.

Women teachers accounted for 42,481 of the total in the nine provinces in 1950 as against 41,416 the previous year, and men teachers for 17,361 compared with 16,059, the proportion of the latter advancing to 29 from 27.7 per cent in 1949.

Twenty-five per cent of all teachers taught in one-room rural schools in 1950. Of these, the proportion of substandard teachers fell to 26 per cent in 1950 from 29 per cent in 1949 and 30 per cent in 1948. In 1946 the proportion was 35 per cent.

Annual salaries of teachers in all nine provinces averaged \$1,965, an increase of \$110

from \$1,855 in 1949. Teachers in city schools had the highest average at \$2,606, up \$111 from \$2,495 the previous year. For one-room rural schools the average was \$1,569 as compared to \$1,497 in 1949; for rural schools of more than one room, \$1,787 as against \$1,679; and for village and town schools, \$2,039 compared to \$1,947.

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MILITARY ATTACHE TO MOSCOW: Maj. R.C.D. Stewart, CD, 35, Oakville, Ont., has been named Canada's new military attaché to Moscow and will be promoted to the rank of Lieutenant-Colonel, Army Headquarters announced on July 24.

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D.B.S. ANNUAL REPORT: The annual report of the Dominion Statistician on the work of the Dominion Bureau of Statistics during the fiscal year ending March 31, 1952, was released July 23.

THE NATIONAL GALLERY OF CANADA

This summer visitors to the National Gallery of Canada will find a much enlarged collection of modern French painting on view. These works, ranging from an early nineteenth century Carot to a present-day Dufy, cover a period of approximately one hundred years. They represent that century of creation in which the genius of French painting was dominant in contemporary art throughout the western world. The quality of these examples now owned by Canada is, in several instances, superb. There is an excellent Degas, *Chevaux de courses*, and two good Cézannes, recently acquired, also a typical Rouault and a charming Renoir, *Claude et Renée*. Of the impressionists, the best examples are by Pissarro. But, in the whole group, two pictures in particular stand out, Carot's *Le Pont de Narni* and Daumier's *Le Wagon de Troisième classe*; these can be numbered among the great masterpieces of the age.

Up until a decade ago, modern French art was poorly represented in Ottawa. In the past few years, the National Gallery, however, has made remarkable strides in filling the gaps which existed. This has not been an easy task, for, coming late into this field of acquisition, its board of trustees and director have had to face strong competition from United

States museums. As a result, you are still not able to see a major Van Gogh or Gauguin in Ottawa. Nevertheless, smaller and earlier paintings by these men have been acquired, and while they are, perhaps, not what popular taste would call "typical" examples, they yet possess a true touch of greatness and have a definite place in our national collection.

The recent acquisition of three early paintings by Derain, Vlaminck and Braque, done in the days when these artists and Matisse were leaders of the fauve movement, now allow this colourful episode in the history of modern art to be studied on the gallery walls. Cubism, however, continues to be unrepresented. Also, paintings by those two greatest of living masters, Matisse and Picasso, have still to be acquired. But, in the meantime, an impressive little painting by an artist who ranks almost equally with them in contemporary appreciation has been bought. The artist is Pierre Bonnard, who died only a few years ago, and the picture is *Le Port de Cannes*, a twilight scene, which, while it may not fully possess that iridescent quality so present in his garden and hillside compositions, is yet notable for the richness and subtle strength of its unusual colours. (From "Canadian Art.")

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5-MONTH TRADE SURPLUS \$109,800,000 (Cont'd. from P. 1)

Trade with all other Commonwealth countries produced substantial export surpluses both in the month and five months in contrast with import surpluses last year. There were large export surpluses also in trade with foreign countries other than the United States in the month and cumulative period, as compared with an import surplus in May last year and a small export surplus in the five months

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"MAGNIFICENT" TO MALTA: Naval Headquarters announced on July 28 that HMCS *Magnificent* (Captain K.L. Dyer) is en route to Malta from Istanbul, Turkey, continuing the programme of exercises she began in the Mediterranean a fortnight ago. The visit to Istanbul was made in company of the British Mediterranean Fleet and preceded by a visit to Athens, Greece, July 18, to 23.

Following arrival at Malta July 29, the *Magnificent* is scheduled to spend about two weeks exercising in the vicinity of the island, after which she will proceed to Londonderry, Northern Ireland, for anti-submarine exercises commencing in the latter part of August.

On board the *Magnificent* is the 30th Carrier Air Group, consisting of 881 Squadron (Avenger anti-submarine aircraft) and 871 Squadron (Sea Fury Fighters).

WHOLESALE PRICES: For the first time since July last year, the Bureau's general index of wholesale prices moved upward in June, increases in prices of animal, textile and wood products groups outweighing slightly further decreases in those of the vegetable, iron, non-ferrous metals, non-metallic minerals and chemical products groups.

The general index (on the base 1935-39=100) advanced 1.7 points or 0.8 per cent in the month to 226.5 from 224.8 in May. At the new standing, the general index remained below the April figure of 226.9 and was 16.4 points or 6.8 per cent lower than the figure of 243.0 for June last year. High point for the index was 243.7 for July a year ago.

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RETAIL TRADE UP 13 P.C.: Canada's retail trade reached an estimated total of \$1,053,488,000 in May, 13 per cent above the May, 1951 figure of \$931,116,000, bringing the total for the first five months of this year to \$4,287,608,000, six per cent above the retail sales total for the corresponding period of last year and 24 per cent above the total of the January-May period of 1950.

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THANKSGIVING DAY: The Secretary of State has announced the Government's decision that Thanksgiving Day this year be celebrated on the second Monday in October.

OTTAWA CARILLON CONCERT: (By Bob Buchanan, in the Ottawa Citizen.) Ottawa's towering, brooding Hill was an oasis of peace last night. A few hundred people--too few--drove or walked to the Parliament Buildings to find it. Visitor and resident alike found there a harmony of hush for the soul. It was a harmony formed of nature, man and music.

It is nothing new, this pause of perfection in the city's heart. Her natural setting has always been there. That Gothic greatness rising like a benediction over it all has been there for years; and, somehow, seems to have been there always, too. The music is there more than weekly in these summer months.

Yet this "nothing new" of Ottawa brings from tourists tributes not given to other attractions--tributes which mark this not as a routine "thing to see" on a sight-seer's schedule, but as a deeply moving emotional experience.

Cars of nine states and four provinces lined the grassy spread of the grounds. People were on benches, the grass and stone walls. Some strolled to watch the sun setting as thin, shaded clouds hung low to the shadowed Gattineau Hills to the north.

There was little talking, none of the excited rather aimless chatter which tourists everywhere bring with them. They sat, and listened and looked.

"I doubt if I'd want to find anything better than this," said an Ohioan who had been there for two hours, just looking.

Behind the many different license plates, the motorists and passengers said little--but they stayed and were not restless.

Then, in his eyrie in the Peace Tower, Dominion Carillonneur Robert Donnell played into the picture the final needed touch. For an hour, the 60 tons of trained bells of the famed carillon thundered or whispered his music....

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PRESIDENT OF ICELAND: The Secretary of State for External Affairs, Mr. Pearson, has announced the appointment of Mr. William Moore Benidickson, M.P. for Kenora-Rainy River and Parliamentary Assistant to the Minister of Transport, as Special Representative of the Government of Canada to the celebrations for the inauguration of the President of Iceland. These ceremonies are to take place at Reykjavik, Iceland, on August 1.

Mr. Benidickson will transmit to the new President of Iceland, Mr. Asgeir Asgeirsson, a message of congratulation from the Acting Prime Minister, Mr. Alphonse Fournier.

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U.N. MILITARY OBSERVER: Maj. Geoffrey C. Lewis, MC, 45, of Montreal has been selected to join the United Nations' military observer group in Kashmir, it has been announced by Army Headquarters.

FIELD CROP ESTIMATES: There are moderate increases in seedings of most field crops in Canada this year, with spring wheat and barley making the greatest absolute gains, according to the preliminary estimate of areas sown to field crops released by the Dominion Bureau of Statistics on July 29. The acreages devoted to oats, winter wheat, buckwheat, field roots and fodder corn has declined somewhat, however, and decreases in oat and summerfallow acreages in the Prairie Provinces offset to a considerable extent the increased seedings of wheat and barley in that region.

This year's wheat acreage is placed at 26,000,000 acres as compared with 25,300,000 acres last year. All the increase is accounted for in the Prairie Provinces, declines being indicated in all other provinces. The wheat area is up five per cent in Saskatchewan, two per cent in Manitoba, and is practically unchanged in Alberta. Barley acreage is estimated at 8,500,000 acres, up eight per cent from 7,800,000 acres last year, practically all the increase also taking place in the Prairie Provinces.

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JUNE EXPORTS UP: A summary of foreign trade figures for June released by the Dominion Bureau of Statistics shows a substantial increase in the value of Canada's total domestic exports to \$374,800,000 from \$312,500,000 in June last year, and a decrease in estimated total imports to \$324,400,000 from \$360,400,000.

Domestic exports to the United States increased to \$191,500,000 from \$188,400,000, and to the United Kingdom to \$82,700,000 from \$51,300,000. Estimated imports from the United States declined to \$235,600,000 from \$241,500,000, and from the United Kingdom to \$31,400,000 from \$39,900,000.

The June import figures are only preliminary and subject to revision.

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VALCARTIER COMMANDANT: Colonel Harold M. Cathcart, OBE, ED, 43, formerly of Montreal, who has been serving as Senior Canadian Army Officer, United Nations Military Observer Group in India and Pakistan, will return soon to Canada and be appointed Commandant, Valcartier Camp (Quebec), the Department of National Defence has announced.

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HM SUBMARINE ALDERNEY: HM Submarine Alderney arrived in Halifax on Thursday, July 31, on loan to the Royal Canadian Navy to carry out anti-submarine exercises with ships and aircraft of the RCN and aircraft of the RCAF, Naval Headquarters has announced. The Alderney will be based at Halifax for four months. She is of the same class as HM Submarine Alcide, which returned in May to the United Kingdom after serving on loan to the RCN.

FAIRS IN CANADA: The following are a few of the fairs and merchandise shows scheduled in Canada in the next few months:

Pacific National Exhibition, Vancouver, August 20-September 1.

Canadian National Exhibition, Toronto, August 22-September 6.

Canada housewares and Home Appliances Show, Palais du Commerce, Montreal, September 16-20.

Business Show, National Office Management Association, Windsor Hotel, Montreal, October 14-16.

National Canadian Shoe and Leather Fair, Automotive Bldg., CNE, Toronto, October 14-18.

Royal Agricultural World Fair, Coliseum, CNE, Toronto, November 14-21.

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RCN SHIPS HOMEWARD BOUND: On Board HMCS Crescent, At Sea: Four ships of the Royal Canadian Navy were homeward bound from European waters by way of the Azores on July 31, due at Halifax Saturday, August 2.

The East Coast Training Group, made up of the destroyer Crescent and the frigates La Hullose and Swansea, sailed from Torbay,

England, the week previous and was joined in the English Channel by HMCS Quebec, training cruiser, for the journey home.

The training group resumed its regular sea training routine after visits to Dartmouth, England, site of the Royal Naval College, and Dieppe, France, where a ceremony was held in memory of the Dieppe raid of 10 years ago.

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STRIKE OF B.C. LOGGERS: More than 51 per cent of the total time lost and 56 per cent of the total number of workers involved in work stoppages arising from industrial disputes in Canada during June, 1952, was accounted for by the strike of loggers, lumber and wood products factory workers in the coastal regions of British Columbia, according to a preliminary summary of strikes and lock-outs released on July 23 by the Minister of Labour. This one work stoppage of workers in the logging and lumbering industry in coastal British Columbia establishments involved 33,500 workers and accounted for a time loss of 365,000 man-working days.

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CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

POPULATION RISES TO 14,430,000: Canada's population reached an estimated 14,430,000 at June 1 this year, showing a record year's rise of 421,000 from the total of 14,009,426 recorded for June 1 last year in the Ninth Decennial Census, according to the annual census-date estimate of the Dominion Bureau of Statistics.

The year's increase compares with an estimated population gain of 297,000 in the previous twelve months, of 265,000 between June 1, 1949 and June 1, 1950, and 279,000 between June 1, 1948 and 1949 (excluding the addition of 345,000 in that year from the entry of Newfoundland). The large excess over these years is due to the larger volume of immigrants -- over 216,000 entering Canada in the twelve months -- and the high level of births.

The estimate for June 1 shows increases over a year earlier in all provinces. Largest increase was 168,000 for Ontario, followed by 118,000 for Quebec, 33,000 for British Columbia, 31,000 for Alberta, and 22,000 for Manitoba. The gain for Newfoundland is put at 13,000; Saskatchewan, 11,000; Nova Scotia and New Brunswick, 10,000 each; and Prince Edward Island, 5,000.

Estimates for the provinces, with 1951 figures in brackets, are as follows: Newfoundland, 374,000 (361,000); Prince Edward Island, 103,000 (98,000); Nova Scotia, 653,-

000 (643,000); New Brunswick, 526,000 (516,000); Quebec, 4,174,000 (4,056,000); Ontario, 4,766,000 (4,598,000); Manitoba, 798,000 (776,000); Saskatchewan, 843,000 (832,000); Alberta, 970,000 (939,000); British Columbia, 1,198,000 (1,165,000).

The Bureau's estimate results from a population accounting which starts with the 1951 Census, adds births and immigration and deducts deaths and emigration during the twelve months. The same method is followed for each province as for Canada as a whole, but the figures on migration are less complete for the provinces, the principal data being labour force survey indications of net interprovincial movement.

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PETROLEUM PRODUCTION JUMPS: Production of crude petroleum and natural gasoline rose sharply in April, total for the month amounting to 3,959,253 barrels as compared with 2,448,894 in the same month last year. In the first four months of this year, 15,124,050 barrels were produced, up from last year's corresponding total of 10,739,458.

Output from wells in Alberta in April amounted to 3,771,495 barrels as compared with 2,332,108 a year earlier; Saskatchewan, 124,877 barrels compared with 67,180; Northwest Territories, 46,291 barrels compared with 35,831.

RED CROSS CONFERENCE DELEGATION: The Department of External Affairs has announced that the Canadian Government has appointed a delegation of observers to the XVIIIth International Red Cross Conference in Toronto which will consist of:

Dr. G.D.W. Cameron, Deputy Minister of National Health; Mr. S. Morley Scott, Department of External Affairs; Lieut. Col. J.C.A. Campbell, Judge Advocate General's Branch, Department of National Defence; Dr. K.C. Charron, Department of National Health and Welfare; and Mr. S.A. Freifeld, Department of External Affairs.

The Conference, convened by the Canadian Red Cross Society and meeting for the first time in Canada, is being held from July 23 to August 9, 1952. It met once before in the Western Hemisphere when the 1912 Conference assembled in Washington.

The Conference, which normally convenes every four years, includes 69 Red Cross and Red Crescent Societies, the League of Red Cross Societies and the International Committee of the Red Cross. It also includes governmental representatives from the 72 nations signatory to one or more of the Geneva Conventions, which form the body of International Law dealing with the humane treatment of the sick and wounded of the armed forces, prisoners of war, and, more latterly, of civilian persons in enemy-occupied countries.

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AMBASSADOR OF GREECE: The Department of External Affairs announced on July 21 that Mr. Raoul Bibica Rosetti had presented to the Deputy Governor, Hon. Mr. Justice P. Kerwin, at the Supreme Court of Canada Building his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Greece to Canada.

Mr. Rosetti was born in Athens in 1893. He studied at the University of Athens, from which he obtained the degree of D.C.L. in 1913. He entered the Greek diplomatic service in 1914, and has served at Berne, Cairo, Sofia, Berlin, Geneva and Belgrade. From 1932 to 1934 he was Head of the Political Department of the Foreign Office at Athens. He was Private Secretary to His late Majesty King George II of Greece during his exile in London from 1944 to 1946, and accompanied him on his return to Greece. Prior to his appointment to Canada, Mr. Rosetti was Minister of Greece to the Union of South Africa.

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RAIL COSTS UP 6 P.C.: Operating revenues and expenses of Canadian railways both reached record levels for April, earnings rising five per cent to \$92,344,356 from \$88,087,381 in April last year, and expenses over six per cent to \$84,999,485 compared with \$79,970,251. The resulting operating income was \$3,402,374 against \$3,988,384.

COLLEGE MILITAIRE ROYAL DE ST-JEAN: The armed forces new academic institution at St. Johns, Que., designed to play an important role in the education and procurement of junior officers, will be called College Militaire Royal de St. Jean.

Located on the banks of historic Richelieu River near Montreal, it will become a sister institution to the Royal Military College, Kingston, and Royal Roads, Victoria. All three schools will now form The Canadian Services' Colleges and operate in conjunction with each other.

The Minister of National Defence, Mr. Claxton, announced on June 12 in the House of Commons the broad plan to establish the new college and pointed out that its purpose would be primarily to meet the special circumstances of French-speaking candidates. It will be open, however, to students from all over Canada.

At the outset the new college will offer a one-year course for students who have the equivalent of junior matriculation. Emphasis will be placed on teaching languages other than the mother tongue to both English and French speaking students.

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EMPLOYMENT AND WAGES: Industrial employment, payrolls, and average weekly wages and salaries were lower at the beginning of May than a month earlier, but advanced over May last year, according to figures compiled by the Dominion Bureau of Statistics.

Index number of employment, on the base 1939=100, stood at 177.5 as compared with 177.9 at April 1, and 175.6 at May 1 last year. Payrolls index was 410.5 compared with 411.5 at the first of April, and 367.9 a year ago, and weekly wages and salaries averaged \$54.30 against \$54.32 at April 1, and \$49.17 at May 1, 1951.

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CANADA - U.S. TRAVEL: Travel between Canada and the United States by rail, bus, boat and plane declined nine per cent in March, total number of passengers by all four means of transportation falling to 151,119 from 166,591 in March last year. Entries of visitors from the United States totalled 53,787 as compared with 59,217 in March, 1951, while the number of Canadians returning was 97,332 compared with 107,374.

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HARVESTER MOVEMENT: Present prospects of bumper crops in the Prairie Provinces this year indicate the need for two to three thousand harvesters from other parts of Canada and arrangements are being made for their transportation, beginning about the middle of August, the Minister of Labour, Mr. M.F. Gregg, has announced.

REVIEW OF MINING: The contribution of the mining industry to Canada's economic activity in 1950 is detailed in the Bureau's general review of the industry for that year, released on July 18.

With both the value and the volume of national production estimated at new record levels in 1950, the value of the production of the country's mining industry reached \$1,045,000,000, a jump of 15 per cent over the 1949 output valued at \$901,000,000. This compares with a production value of \$500,000,000 in 1940, \$250,000,000 in 1928, and \$65,000,000 in 1901.

Although part of the 1950 increase was due to higher prices for mine products, most of it was due to actual increases in the quantities of minerals produced or shipped.

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"CANADIAN OCCUPATIONS": The Minister of Labour, Mr. M.F. Gregg, has announced the publication of a new monograph in the "Canadian Occupations" series issued by his Department. The subject of this latest number is the Social Worker. It is expected that this 17-page booklet, widely distributed through many agencies, such as Departments of Education, interested in the vocational guidance of young people, will bring to the attention of suitable young Canadians the opportunities for a career in this rapidly growing profession.

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AMBASSADOR TO TURKEY: The Secretary of State for External Affairs announced on July 22 the appointment of Mr. Herbert O. Moran, Assistant Under-Secretary of State for External Affairs, as Canadian Ambassador to Turkey. Mr. Moran (43) of Toronto will succeed Major General Victor W. Odlum, C.C., C.M.G., D.S.O., V.D. Major General Odlum is retiring this summer after eleven years of service, as High Commissioner to Australia (1941-42), as Minister and later Ambassador to China (1942-46) and Ambassador to Turkey (1947-1952). Mr. Moran will leave for Ankara in October.

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WHEAT STOCKS: Visible supplies of Canadian wheat in store or in transit in North America on July 10 amounted to 195,043,494 bushels as compared with 163,028,017 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces totalled 6,110,615 bushels against 4,669,861 a year earlier, bringing the total for the crop year to date to 423,118,105 bushels compared with 342,136,688 in the similar period of 1950-51. Overseas export clearances of wheat during the week aggregated 8,176,876 bushels against 6,373,176, and in the cumulative period amounted to 241,979,399 bushels against 148,335,325 in 1950-51.

HOURS AND WAGES: Average hourly earnings of hourly-rated wage-earners employed in the larger manufacturing establishments across Canada showed a small increase of one-half cent at May 1 to 129.5 cents from 129 cents at April 1. This compares with 114.1 cents at May 1 last year. The change from a month earlier was due largely to variations in industrial distribution, but some firms reported wage-rate increases.

Average weekly wages paid to hourly-rated workers declined to \$54.13 at May 1 from \$54.31 at April 1, but were up nearly 12 per cent from \$48.49 at May 1 last year. The average working week at the beginning of May was 41.8 hours as against 42.1 a month earlier and 42.5 hours at May 1, 1951.

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OIL PIPE LINE DELIVERIES JUMP: Deliveries of oil by pipe line in April totalled 6,986,031 barrels, an increase of 183,714 barrels over March and of 936,844 barrels over April last year. Trunk line movement rose to 6,884,069 barrels in the month as against 5,896,839 a year earlier, while gathering line deliveries declined to 101,962 compared to 152,348 barrels.

During the first four months this year net deliveries aggregated 27,487,657 barrels, an increase of 19 per cent over last year's corresponding total of 23,110,620 barrels.

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CO-ORDINATOR OF PRODUCTION: The Minister of Defence Production has announced the appointment of Mr. George M. Grant, C.B.E., Toronto, to the position of Co-ordinator of Production, to succeed Mr. Reginald M. Brophy, who was recently appointed Deputy Minister of the Department. Mr. Grant is Assistant General Manager of the Bell Telephone Company of Canada, and for the past six months has been on loan from his company, on a full time basis, to the Department as Director of the Electronics Division.

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MAPLE PRODUCTS UP 50 P.C.: Production of maple products this year was 50 per cent greater than in 1951, while the gross farm value was 42 per cent higher. Expressed as syrup, there were 3,470,000 gallons produced during the year as compared with 2,309,000 in 1951, and the returns to farmers totalled \$12,175,000 as against \$8,555,000.

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FOREIGN VEHICLE ENTRIES: Foreign Vehicles entering Canada on traveller's vehicle permits in June totalled 289,152, slightly below the record for the month of 290,453 set in June last year, but cumulative entries for the first six months of this year rose 7.5 per cent, numbering 718,059 as against 667,693 in the similar period of 1951.

INTERNATIONAL RED CROSS CONFERENCE

MR. MARTIN'S ADDRESS: "The Red Cross movement has shown convincingly what men and women of good will, the world around, can achieve when they let their hearts lead them," said the Minister of National Health and Welfare, Mr. Paul Martin, in addressing the Health Advisory Committee of the League of Red Cross Societies, at the XVIIIth International Red Cross Conference, in Toronto, on July 23.

"In our day, in which, tragically, there is so much to divide peoples, the International Red Cross speaks for the conscience of all who recognize that the responsibilities of citizenship do not stop at national boundaries. Its achievements redeem many of the darker pages of the story of these years...."

"The Red Cross, one of the noblest of voluntary movements, had its origin in the warm humanity of one man standing sick at heart and ashamed before the senseless panorama of war...."

After speaking of the work of the Red Cross in Canada, and stressing that it was a basic tenet of government policy in Canada's National Health Programme, "to leave to the voluntary health agencies all duties that these agencies can best discharge," Mr. Martin spoke as follows on our hope for peace:

"These Red Cross meetings in Canada bring together delegates who honour the flags of 72 nations, each with its own distinctive quality and character. But each delegate has a special respect and loyalty for the Red Cross banner which represents not a country but a cause -- the cause of humanitarian service."

"At this time when the world is once again torn apart by war and dissension -- can we not

unite under this universal flag and go forward in friendliness together in search of the peace that civilization and decency demand??"

"Of this I am sure: Canadians do not want war, nor do we believe, despairingly, that war must continue to harass human progress. If the peoples of the world could speak with a single voice they would command that better ways than senseless conflict be found for the settling of international differences."

"In the Red Cross we acclaim an agency that is devoted to the principle of mutual aid and relief of suffering. Can we not concentrate our energies on these great objectives so that nations will strive for supremacy in what they are doing to help and not to harm their neighbours?"

"Can we not find some way to turn to productive and peaceful ends the enormous energy and ingenuity now dedicated to destruction? I ask these questions here because more nations acknowledge allegiance to the humane purposes of the Red Cross than of any other humanitarian endeavour."

"If we could walk in peace the marvellous ways that science is opening to us, we could go forward in fellowship together into a fairer life than we have ever known. On the threshold of unimagined opportunity -- whether it be for the fulfillment or the betrayal of human hopes -- let us take heart from the invincible belief of Louis Pasteur:'that Science and Peace will triumph over Ignorance and War: that nations will unite, not to destroy, but to build; and that the future will belong to those who have done most for suffering humanity.'"

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ARCTIC SUPPLY TRIP SHORTENED. The Department of Transport's vessel, the C.G.S. "C.L. Howe" sailed from Montreal on July 24 on her delayed trip to northern waters to resupply Canada's outposts in the Eastern Arctic. The vessel originally sailed from Montreal on June 26 on her third annual assignment to the Arctic but had to return in order to repair ice damage following passage through heavy ice off the coast of Labrador.

The itinerary of the Arctic supply vessel originally provided for a 100-day journey of approximately 12,000 miles with visits to some 26 northern settlements. This itinerary is being reduced to a 75-day journey with possibly only 21 ports of call. In revising the ship's itinerary, the Department of Transport is giving every consideration to fulfilling, as completely as possible the humanitarian requirements of the various settlements. These include medical and surgical, dental and optical services as well as administrative and other requirements.

MR. RITCHIE'S APPOINTMENT: The Department of External Affairs announced on July 25 the appointment of Mr. Charles S.A. Ritchie, as Acting Deputy Under-Secretary of State for External Affairs.

Mr. Ritchie joined the Department in 1934 and has served in Ottawa, Washington, London and Paris. He was appointed Assistant Under-Secretary of State for External Affairs in 1950. He has attended the following international conferences: United Nations Conference in San Francisco, 1945; United Nations General Assembly sessions in London, 1946, Paris, 1948, New York, 1950; United Nations Security Council Meetings in New York, 1946, 1948; the Peace Conference in Paris in 1946.

Mr. Ritchie was born in Halifax, Nova Scotia, September 23, 1906. He attended the University of King's College, Halifax, and Oxford University from which he received the degrees of B.A. and M.A. He also received an M.A. from Harvard University and attended the Ecole Libres des Sciences Politiques, Paris.

CANADIAN WEEKLY BULLETIN



INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

FAVOURABLE CROP REPORT: Numerical condition for all Canada of spring wheat, barley, fall rye and spring rye at June 30 was above that at the same date last year, according to a survey of the condition of principal field crops by the Bureau. The remaining seven crops were rated below last year's June 30 levels, but all except two of the crops -- mixed grains and potatoes -- had higher condition ratings than at the same time two years ago.

Spring wheat condition figures, based on weather factors and expressed in terms of the long-time provincial wheat yields, were well above average both in Saskatchewan and Alberta, but slightly below average in Manitoba. The condition figure for spring wheat in Saskatchewan, at 130, exceeded those of 1951 and 1950 by 24 and 39 points respectively. Alberta's rating of 125 was two points higher than in 1951 and more than double the 1950 level of 59. In Manitoba, the wheat condition figure for this year was placed at 95, the same as a year ago but four points lower than in 1950.

On a regional basis, condition of crops varied widely at June 30 this year. In the Maritimes, the condition of most crops, with the exception of tame hay and pasture, was below that of a year ago. The same was true for

Quebec, Ontario and Manitoba, where all of the 1952 ratings were below those of 1951 with the exceptions of fall rye in Quebec and spring wheat in Manitoba. In Saskatchewan and British Columbia, however, significant improvement over last year was registered, with only one crop, tame hay in Saskatchewan, being rated below last year. The situation in Alberta was mixed, with wheat, oats, barley, mixed grains and potatoes rated above, and the remaining crops below, last year's condition at June 30.

Condition data for all crops, with the exception of spring wheat for the Prairie Provinces, are based on reports sent to the Bureau by hundreds of persons who are asked to express their opinion of crop conditions at June 30 as a percentage of the average conditions for that time of year.

For all Canada, the condition of field crops at June 30, 1952, expressed in percentage of average, was reported as follows, with the figures for June 30, 1951 within brackets: winter wheat, 91 (93); spring wheat, 125 (109); all wheat, 124 (109); oats for grain, 95 (98); barley, 98 (97); fall rye, 94 (91); spring rye, 101 (97); all rye, 97 (93); mixed grains 87 (102); flaxseed, 90 (95); potatoes, 92 (97); tame hay and clover, 96 (106); and pasture, 97 (107).

LABOUR INCOME UP 14 PER CENT: Estimated total of salaries and wages and supplementary labour income rose 12 per cent in April over the same month last year, and there was a gain of 14 per cent in the first four months of this year. Labour income in the month amounted to \$854,000,000 as compared with \$763,000,000 in April last year, and in the four months totalled \$3,385,000,000 against \$2,971,000,000 in the like period of 1951.

Labour income in manufacturing in April aggregated \$294,000,000 as compared with \$266,000,000 a year ago, and in the four-month period amounted to \$1,154,000,000 against \$1,032,000,000 in 1951. Total for utilities, transportation, communication, storage and trade in the month stood at \$218,000,000 compared with \$196,000,000 in April, 1951, and in the January-April period was \$856,000,000 against \$762,000,000. In finance and services, including government, the April total was \$187,000,000 compared with \$166,000,000, and in the four months ending April totalled \$741,000,000 against \$655,000,000.

Labour income in construction in April amounted to \$66,000,000, an increase of \$13,000,000 over the same month last year, and in the four months advanced \$53,000,000 to \$245,000,000. In the primary industries -- agriculture, forestry, fishing, trapping and mining -- the April total was \$60,000,000 against \$55,000,000 a year earlier, and in the four-month period it was \$275,000,000 compared with \$228,000,000.

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WHEAT OUTLOOK BRIGHT: Latest available estimates indicate that supplies of wheat remaining on or about June 1 in the four major exporting countries -- the United States, Canada, Australia and Argentina -- for export and carryover at the end of their respective crop years amounted to 658,900,000 bushels, which is about 19 per cent below the 809,600,000 bushels available a year earlier.

This year's supplies, with last year's figures in brackets, were held as follows: Canada, 332,800,000 (251,500,000) bushels; United States, 267,500,000 (436,400,000); Australia, 55,100,000 (71,100,000); and Argentina, 3,500,000 (50,600,000).

Prospects for the 1952 wheat crop are good in most parts of the world from which reports are available, states the Wheat Review issued July 15 by the Bureau. In North America the outlook is particularly bright.

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WHOLESALE SALES UP: Sales of wholesalers in nine lines of trade, as measured by the Bureau's monthly indexes, rose in aggregate over four per cent in May over May last year, while inventories at the end of May were eight per cent below a year earlier. The unadjusted index of sales, on the base 1935-39, stood at 389.8 for May compared with 372.6 for May last year and 361.7 for April this year.

CANADA SAVINGS BONDS: The Minister of Finance, Mr. Douglas Abbott, announced on July 15, that a Seventh Series of Canada Savings Bonds will be offered to the public this October. In making this announcement he pointed to sales of the Sixth Series as of July 15, 1952 of about \$390 millions as an indication of a substantial public demand for this type of savings facilities.

The fact that Canada Savings Bonds can be cashed any time at full face value plus good interest is considered a primary reason for their appeal.

As in past campaigns, emphasis will be placed on sales through the Payroll Savings Plan. Regional Payroll Savings Directors have been reappointed and are now preparing plans for the fall operation.

Mr. Abbott complimented the organization in raising Payroll Savings Plan sales to \$173 millions last October, the highest achieved in any issue to date. The number of purchases under the Plan was 700,783. More than 90% of the larger companies offered the Payroll Savings Plan to their employees and approximately 43% of their employees availed themselves of these facilities.

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ELECTRICITY PRODUCTION RECORD: Production of electric energy by central electric stations climbed to an all-time monthly peak in May. Total for the month, at 5,334,918,000 kilowatt hours, rose slightly above the previous high of 5,268,718,000 in January this year, and was four per cent above last year's output of 5,131,992,000 kilowatt hours. With gains being recorded over a year earlier in each month from January to May, cumulative total for the first five months of this year advanced to 25,821,606,000 kilowatt hours from 24,105,618,000 in the similar period of 1951, or by seven per cent.

* * * *

AUTO SALES UP 38 PER CENT: A total of 50,449 new motor vehicles with a retail value of \$124,075,328 were sold in Canada in May, an increase of 38 per cent in number and 34 per cent in value over the 36,445 units sold for \$92,636,586 in May, 1951. This was the first time this year that monthly sales of new motor vehicles were greater than in the corresponding period of last year. May sales also topped new motor vehicle shipments for sale in Canada, which totalled 43,381 during the month.

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REVENUE FREIGHT RECORD: Canadian railroads hauled a total of 12,909,758 tons of revenue freight in March, 357,108 tons or 2.8 per cent more than the 12,552,650 tons carried in the same month last year. This brought the total traffic for the first quarter of this year to 38,485,253 tons, an increase of 2,456,851 tons or 6.8 per cent over the corresponding period of 1951, and set a new first-quarter record.

AID FOR CEYLON UNDER COLOMBO PLAN

STATEMENT OF PRINCIPLES: The Department of External Affairs announced on July 12 that the Governments of Canada and Ceylon have agreed on a Statement of Principles for the co-operative economic development of Ceylon under the Colombo Plan. The principles were confirmed by an exchange of notes in Colombo on July 11.

As part of its programme of economic aid to Ceylon, Canada will undertake this year a fisheries development and research project. The Government of Ceylon rates this project as of the highest priority and the detailed plan has been worked out by a Canadian fisheries expert, Mr. D.M. Haywood, who has himself been serving in Ceylon for the past year, under the Colombo Technical Co-operation Programme, as consultant to the Minister of Fisheries. The project will entail the provision of fishing boats and equipment and small demonstration plants for ice-making, cold storage, canning and drying, as well as the services of experienced Canadian fishermen and technicians who will be needed to train Ceylonese personnel. This will be an all-Canadian project, designed to develop the fishing resources of Ceylon and thus increase its food production.

OTHER PROJECTS

Other economic development projects for Ceylon are under consideration.

The following is the text of the Statement of Principles agreed between the Government of Canada and the Government of Ceylon for Co-operative Economic Development of Ceylon:

"The Governments of Canada and Ceylon, together with other governments, took part in London in 1950 in drawing up the Colombo Plan for Co-operative Economic Development in South and South-East Asia. The Governments of Canada and Ceylon now desire to co-operate for their mutual benefit, and in particular for the achievement of the purposes of the Colombo Plan, by promoting the economic development of Ceylon. Therefore the Governments of Canada and Ceylon now wish to establish agreed principles under which economic aid from Canada will be provided to Ceylon for the purposes of the Colombo Plan, and according to which supplementary agreements may be made to cover specific programmes.

COST OF LIVING RISE: Cost-of-living indexes for five of the nine regional centres advanced between May 1 and June 2 while three declined and one remained unchanged. Substantial geographical differences in food price movements, notably fresh vegetables, were mainly responsible.

Among other groups, clothing prices were moderately lower at all centres, and home-furnishings and services declined. The quar-

"The Governments of Canada and Ceylon agree to the establishment of the following principles:

"1. All economic aid supplied by the Government of Canada to the Government of Ceylon under the Colombo Plan shall consist of goods and services in accordance with specific programmes agreed upon from time to time between the two Governments. Similarly, agreement will be reached on the methods of procurement and transfer.

"2. In order that Canadian aid may cover different types of projects, different forms of financing may be used; in particular, Canadian aid will be available on either a grant or a loan basis, depending on the nature of each specific programme and the uses to which the goods and services supplied under it are put.

"3. The particular terms of each specific programme will be a matter for agreement between the two Governments, subject to the following general provisions:

"(a) Grants: In any specific programme under which goods financed by grants from the Canadian Government are sold or otherwise distributed to the Ceylon public 'counterpart funds' will normally be set aside. The Ceylon Government will set up a special account for these funds and will keep separate records of the amounts placed in the account in connection with each specific programme. It will pay into this account the rupee equivalent of the Canadian expenditures on goods and services supplied under any such programme. The Government of Ceylon will from time to time report to the Government of Canada the position of this account and will supply a certificate from the Auditor General of Ceylon. The two Governments will from time to time agree on the economic development projects in Ceylon to be financed from this account.

"(b) Loans: For the specific programmes which are agreed to be appropriate for financing by means of loans the terms of the loans will be determined by the two Governments. These terms will relate primarily to the commercial character of the particular project in question, to its anticipated earnings, and to its anticipated effects on the foreign exchange position of Ceylon."

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terly rentals survey resulted in higher rent indexes for all centres except Saskatoon, which remained unchanged.

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STORE SALES JUMP 13 PER CENT: Department store sales rose by an estimated 13.1 per cent during the week ending July 5 as compared with the same week last year, according to preliminary figures.

TRADE WITH CONTINENTAL EUROPE

INCREASES IN 1951: In Canada's foreign trade pattern, the countries of Continental Europe have always occupied a significant place. Their role as valuable markets for particular Canadian commodities, and as a source of many imports, enhance their importance, the Department of Trade and Commerce reports in "Foreign Trade."

Until 1951, European countries greatly improved their current trade balances with Canada. The general trend from 1947 on was towards steadily diminishing Canadian exports to Europe. At the same time, European exporters increased their share of the Canadian market. This reflected the spread of European restrictions against dollar imports on the one hand and, on the other, the gradual recovery of Europe's capacity to export, stimulated by the extensive devaluations of 1949. The proportion of Canadian imports coming from Continental Europe rose steadily from a low point of two per cent of the total in 1946 to 4.3 per cent of the total in 1951. Our exports to Continental Europe, which represented almost 14 per cent of total Canadian exports in 1946, had declined to 6.5 per cent of the total by 1950.

The past two years have been dominated by the Korean war and the rearmament drive. As a result of heavy demand in Europe for essential materials, the decline in Canada's exports to Europe was reversed in 1951. At the same time, however, our imports from Europe are continuing their steady increase.

IMPORTS FROM EUROPE

Canada's imports from Europe consist largely of finished products, manufactured goods, machinery, textiles, a wide range of consumer goods, and warm-climate agricultural products.

European countries have already done much to develop their exports to Canada of specialized consumer goods, such as leatherwork, glassware, pottery, embroidery--quality products traditional in long-established industries. At the same time, because of the great economic expansion and the high rate of new plant development in our country, the Canadian demand for productive machinery and specialized equipment of many kinds has also been increasing. It is evident that European industries have not fully appreciated this long-term importance of the Canadian market, of which they might well obtain a much larger share.

Canada continues to absorb a wide variety of European goods. This diversity can be illustrated statistically. The 26 principal items imported from Europe--covering food products and many manufactured goods--made up only about 60 per cent of the value of all Canadian imports from that area in 1950 and 1951. None of these items is large but the

variety is great and they add up to a substantial total.

Almost all of Canada's imports from Europe increased in value in 1951, while only four of the principal items (canned and preserved fruits, scrap iron and steel, clocks and watches, and fertilizers) fell in value as compared with 1950.

Europe not only supplied a greater dollar value of Canadian import requirements in 1951 but also provided a greater proportion of our total imports. The importance of Europe as a source of supply for certain Canadian imports is particularly notable. This is the case, for example, in such things as florist and nursery stock; wines; cheese; lace and embroidery; corkwood; clocks and watches; unset diamonds; wool yarns; synthetic fibres; canned fruits; olives and olive oil.

In the immediate postwar years, Canada shipped to Europe a wide variety of manufactured products needed for relief and reconstruction. Now the proportion of these has shrunk and that of basic raw materials and primary foodstuffs has increased. This is illustrated by the fact that substantial increases took place in 1951 in the value of exports to Europe of wheat, barley, woodpulp, trucks and automobiles, and copper. European purchases of items felt to be less essential, however, such as whisky, canned salmon, salt cod, processed milk, and hides and skins were reduced.

WESTERN EUROPE

Canada's natural trade partners in Continental Europe have always been the industrial countries of Western Europe, the economies of which are to a large extent complementary to our own. The countries of Eastern Europe, which are also large producers of primary agricultural commodities, have traditionally played a less important part in these trade relations.

Belgium-Luxembourg came to the fore as Canada's main market in Continental Europe in 1949. It replaced France, which had held first rank since the end of the war and became Canada's third largest market after the United States and the United Kingdom. In 1951, however, in spite of the spread of dollar restrictions in Europe, Canadian exports to all major markets increased sharply to record levels.

The main European markets for Canada, apart from the United Kingdom are (1951 figures):

Belgium-Luxembourg	\$94.4 million
Italy	48.8 "
France	46.5 "
Germany	37 "
Norway	32.2 "
Netherlands	26 "
Switzerland	25 "

Imports from European countries increased substantially in 1951 as compared with the previous year and even compared with the general increase in imports from other areas. Belgium stood eighth in 1951 as a source of supply for Canada, coming well after the United States, the United Kingdom, Venezuela, but only just under Malaya, Australia, India and Brazil. The most striking development in 1951 was the increase in imports from Western Germany, which more than doubled over the 1950 level. Similar sharp increases were noted in imports from Sweden and Spain.

Canada's main sources of supply in Continental Europe in 1951 were, in their order of importance:

Belgium-Luxembourg.....	\$39 million
Germany	31 "
France	24 "
Switzerland	16.4 "
Italy	14.2 "
Netherlands	14 "

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QUEBEC ELECTION: The Union Nationale Government of Quebec Province was re-elected for its third consecutive term on July 16 with a reduced majority. The Liberal Party, which won eight seats in 1948, elected 23 members in the July 16 voting, gaining 15 seats from the Union Nationale and one from a Nationalist candidate. The Liberals lost one seat to the Union Nationale. The Union Nationale won 68 seats compared with 82 in 1948.

Premier Duplessis was re-elected with all but three of his 20 Cabinet Ministers. Three Ministers without Portfolio were defeated - Hon. Patrice Tardif, Hon. J.H. Delisle and Hon. Marc Trudel. Liberal Leader Georges Lapalme was defeated in his home constituency of Joliette.

The final party standing was reported on the morning of July 17 as follows:-

	1948	1952
UN	82	68
Lib.	8	23
Ind.	1	1
Nat.	1	0
Totals	92	92

* * * *

NEW NAVY DIVISION: A new naval division, to be named HMCS Caribou, will be established in the near future at Cornerbrook, Newfoundland, it was announced on July 15. The commissioning of HMCS Caribou, at a date to be announced later, will bring the total number of naval divisions throughout Canada to 22. HMCS Caribou will also be the second naval division located in the Province of Newfoundland, the other being HMCS Cabot in St. John's.

GALLANTRY AWARDS: A Montreal lieutenant and a corporal from Milltown, N.B. have been awarded gallantry awards for service with the 25th Canadian Infantry Brigade in Korea, it has been announced at Army Headquarters.

Lieut. Allan Angus Sloss Peterson, 30, of Montreal and 128 Moreuil Wood Blvd., Petawawa, an officer of the 1st Battalion, Royal Canadian Regiment, has been awarded the Military Cross.

Cpl. Arthur Irvine Stinson, 21, of Milltown, N.B., a non-commissioned officer of the 1st Battalion, Royal Canadian Regiment, has been awarded the Military Medal. He was wounded during the award-winning patrol action on May 21, ten days after his 21st birthday.

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DISPLAY IN NEW ZEALAND: Canada's exports to New Zealand recently included one large packing box crammed with more than 150 books, booklets, pamphlets, maps and prints. When the crate arrives in New Zealand, its contents will be arranged as an attractive display and exhibited in all the main centres. The books and pamphlets were chosen from the 20 thousand titles offered for sale by the Queen's Printer; range from bound copies of Hansard to the new Canadian Woods and the Report of the Massey Commission. Coloured wall maps of Canada and colour prints of original Canadian paintings add variety to the display. (From "Foreign Trade.")

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TWO TRANSFERS: The Secretary of State for External Affairs, Mr. Pearson, announced on July 17 the appointment of Mr. W.D. Matthews, Canadian Minister in Washington, to be Minister to Sweden and Finland, and the appointment of Mr. T.A. Stone, Canadian Minister to Sweden and Finland to be Ambassador to the Netherlands. The former Canadian Ambassador to the Netherlands, Mr. Pierre Dupuy, was transferred as Ambassador to Italy on May 1.

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TEXTILE INDUSTRY: The gross value of the production of the 846 establishments in the textile group of industries, exclusive of clothing, amounted to \$741,262,685 in 1950, a gain of \$104,438,555 or 16 per cent over the gross production value of \$636,824,130 of the 847 establishments in the group in 1949, according to the general review of the group's activities for 1950.

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LARGER B.C. FRUIT CROPS: All fruit crops in British Columbia will be considerably larger this year than last, according to preliminary estimates of 1952 fruit production released by the Dominion Bureau of Statistics.

CANADA FOURTH LARGEST TRADING NATION IN 1951

ANNUAL REVIEW. Canada was the world's fourth trading nation in 1951, ranking behind the United States, the United Kingdom and France, and ahead of the Federal Republic of Germany, states the annual review of Canada's foreign trade released July 16 by the Dominion Bureau of Statistics. In relation to population, however, Canada's trade was greater than that of the other world trade leaders, although less than that of Hong Kong and New Zealand.

Statistics published by the International Monetary Fund and adjusted for international differences in valuation methods show the United States first with exports of U.S.\$15,034 million and imports of U.S.\$12,439 million, the United Kingdom second with exports of U.S.\$7,580 million and imports of U.S.\$10,954 million, and France third with exports of U.S.\$4,225 million and imports of U.S.\$4,591 million. Canada's exports were U.S.\$4,045 million and her imports U.S.\$4,240 million, the Federal Republic of Germany following with exports of U.S.\$3,473 million and imports of U.S.\$3,506 million.

FRANCE AND GERMANY

In earlier postwar years Canada ranked third in world trade, but as economic recovery in Europe has progressed the share of France and Germany has steadily increased.

Canada's domestic exports in 1951 amounted to \$279.42 per capita, which was 3.7 times the 1938 current dollar value of \$75.11, and had risen by 43 per cent in volume. Imports per capita in 1951 were \$291.59, which was 4.8 times the 1938 value of \$60.75, and had risen by 77 per cent in volume. The volume of per capita trade in 1951 was below 1947 but sharply above 1949 and 1950.

New records, both in value and volume, were established by Canada's foreign trade in 1951, and the prices at which transactions were conducted were also at a record height, according to the Bureau's annual review and analysis of foreign trade.

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B.C. ELECTION. The final standing in the British Columbia election of June 12 was announced on July 13 as follows:-

	1952	1949
Social Credit	19	0
CCF	18	7
Liberal	6	26
Prog. Conservative	4	13
Labor	1	1
Independent	0	1
Totals	48	48

It was reported possible that the final 19

Exports increased in value by 26 per cent and in volume by 11 per cent as compared with 1950, while imports were 29 per cent greater in value and 13 per cent greater in volume. Exports prices averaged 13 per cent above the 1950 level, and import prices were 14 per cent higher, although they were falling in the latter part of the year.

Exports to and imports from a majority of the countries with which Canada trades were greater in 1951 than in 1950. The relative importance of the principal markets showed some change, the share of the United States in exports declining for the first time since 1947, although the value of these exports increased. Those of the United Kingdom, Japan and Europe in particular showed offsetting increases. The share of the United Kingdom in Canada's imports was lower than in 1950, while the shares of the United States and Europe increased. Trade balances with most countries were a smaller proportion of trade with these countries than in postwar years before 1950.

LEADING POSITION

Canada held a leading position in the trade of the United States and the United Kingdom. Canada was the leading supplier of goods to the United States and the leading foreign purchaser of United States goods; supplying 20.8 per cent of United States imports and taking 17.2 per cent of United States exports. Canada ranked second to the United States as a supplier to the United Kingdom, providing 6.7 per cent of that country's imports, and was fourth as a market for United Kingdom goods, taking 5.2 per cent of United Kingdom exports and ranking in order after Australia, the Union of South Africa and the United States. Last year was the first since 1947 that the United States bought more United Kingdom goods than Canada, but in spite of the difference in size of the countries the difference in their purchases was only nine per cent.

to 18 result for Social Credit over the C.C.F. might be upset as re-counts are to be held in at least five ridings.

On July 15 the Social Credit members-elect selected as their leader Mr. W.A.C. Bennett, of Kelowna, who had sat in the last two Legislatures as an independent. Early this year he announced that he had joined the Social Credit movement.

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N.B. ELECTION. Premier John B. McNair announced on July 16 that a New Brunswick provincial general election will be held on Monday, September 22.



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WEEK'S EVENTS IN REVIEW

\$241.1 MILLION SURPLUS: A budgetary surplus of \$241.1 million dollars for the first two months of the fiscal year, April and May, was announced on July 5 by the Minister of Finance, Mr. Douglas C. Abbott, who again warned that such surplus could not be taken as any indication for the fiscal year as a whole.

"While revenues are more or less spread throughout the year, expenditures even after making allowance for the adjustments which have been made in the treatment of certain classes of expenditures are more heavily concentrated in the latter part of the year", said the Minister. "In addition, the continuing growth in the defence programme which will be reflected in expenditures of the Departments of National Defence and Defence Production will be more pronounced as the year progresses. The total estimates for expenditures of these two Defence Departments, including supplementary items recently tabled, are \$2,125 million and expenditures during April and May have amounted to only \$167.5 million, an average of less than \$84 million per month."

Mr. Abbott pointed out that the new statement of financial operations had been considerably enlarged and reflected changes in the treatment of interest on public debt and other classes of expenditure designed to give a more accurate presentation of the flow of expenditures month by month.

"These changes, which are reflected in the statements I am releasing today," he said, "will result in spreading expenditures somewhat more evenly throughout the fiscal year -- for purposes of comparison, the figures shown for the last fiscal year have been adjusted on the same basis. However, it is not possible to eliminate completely all the factors tending to make expenditures higher in the last half of the fiscal year and I should expect that the expenditures made in the closing months of the year will continue to run considerably above those of the early months of the year. Consequently, the excess of revenues over expenditures in the early months of the year cannot be taken as giving any indication of the budgetary surplus for the year as a whole."

"Total budgetary revenues for the month of May, excluding Old Age Security taxes, amounted to \$402.2 million compared with \$353 million for May, 1951. Revenues for the first two months of this fiscal year amounted to \$667.5 million compared with \$571.3 million for the same period of the previous fiscal year, an increase of \$96.2 million. Individual income tax collections for the first two months of the fiscal year were \$248.3 million or \$57.2 million higher than the corresponding period last year, reflecting the higher levels of personal incomes and higher tax rates. Corporation income tax receipts for the two-

(Continued on P. 6)

WAR INDUSTRY AID: It is the policy of the Government to bring to Canada firms from the continent, and particularly from the United Kingdom, provided their production is needed in the defence programme, the Minister of Defence Production, Mr. C.D. Howe, announced in the House of Commons on June 24.

He was speaking on an item in the estimates for \$85,000,000 to provide assistance to war industry. A further vote of \$25,000,000 appears in the supplementary estimates.

The Minister's statement was made in response to a question by Mr. Howard C. Green (PC, Vancouver-Quadra) who asked:

"Has any consideration been given by the Department to using some of this money to assist in bringing to Canada industry which would be useful for defence production and which we do not have in the country at the present time? There must be specialized industry in Great Britain and on the continent which could be of great help if it were to become established here in Canada, and I am wondering whether the vote is wide enough to give the Department power to make expenditures for that purpose, and whether the Government has any policy along that line...."

Mr. Howe replied:

"It is the policy to bring firms from the continent, and particularly from the United Kingdom, to Canada provided their production is needed in the defence program. The vote is not wide enough to bring a firm to Canada and provide capital assistance if the company has no place in the defence program. If the full production of a new plant in Canada is required for war production we bring it--and we have brought several plants here.

"One is the Sperry plant which makes a special line of instruments never before made in Canada. SKF make special roller bearings used in aircraft work. Lucas Rotax of the United Kingdom make fuel systems not only for aircraft built in Canada but also for aircraft built in the United States. That is a big industry. Steel Improvement makes blades for the turbines in airplane jet engines. Peacock Brothers make special equipment used in the naval escort vessel program.

"One very large capital expenditure is being made to expand the turbine production of English Electric. We had a small turbine production here in Canada and that is to be expanded very considerably. The turbine designed by English Electric in the United Kingdom is to be built here in quantities sufficient to supply the turbines for the escort vessel program.

"Those are the examples that occur to me at the moment but I would say there is no provision in this vote to bring English talent or continental talent if the facility is not required for defence work."

Mr. Green: "But it can be done under this vote?"

Mr. Howe: "Yes. My hon. friend will under-

stand that all property acquired under this vote is property of the Crown. New arrangements would have to be entered into if the present operator wishes to continue on a peacetime basis. The equipment is installed for war production only and rental agreements or purchase agreements would be necessary if the occupant wishes to use the same equipment for peacetime production."

* * * *

B.C. HEALTH SURVEY. A recommendation that consideration be given to introducing a comprehensive health insurance plan to cover children only and that general health insurance for the entire population be not introduced "at present" highlight the report of the British Columbia Health Survey Committee tabled in the House of Commons July 2 by the Minister of Health and Welfare, Mr. Paul Martin.

The entire report contains more than 125 recommendations for improving health services in the Pacific Coast Province. Officials made it clear that the report reflects the opinions and proposals of officers of the Provincial Health Department and that it does not bind the Provincial Government to action. They also indicated that about 80 of the recommendations have already been acted upon or are in process of being carried out.

The survey report was prepared by a Committee headed by Dr. G.R.F. Elliot, Assistant Provincial Health Officer. This Committee contained representatives of the British Columbia Medical Association, the Registered Nurses' Association of British Columbia and the Faculty of Medicine, University of British Columbia.

* * * *

HEAVY TRADE IN CANADIAN STOCKS: Transactions in stocks of Canadian companies between Canada and the United States reached new heights in April, when sales of Canadian stocks to the United States amounted to \$46,200,000 and repurchases from American holders totalled \$29,300,000. The sales balance of \$16,900,000 was the largest monthly figure on record for this type of security.

The month's transactions in stocks were largely offset, however, by repurchases of Canadian bonds and debentures, which totalled \$24,800,000 as against sales of \$9,900,000. Purchases were principally Canadian Government issues. Total sales of securities to the United States amounted to \$64,400,000 in April -- the largest figure since February last year -- and total purchases to \$61,000,000, making a net inflow of \$3,400,000 from all transactions with the United States.

Trade with the United Kingdom was heavier than in recent months, and also centred in Canadian stocks. Purchases from the United Kingdom amounted to \$3,700,000, nearly two-thirds being Canadian stocks, and sales to the United Kingdom to \$2,500,000, producing a purchase balance of \$1,200,000.

DEFENCE AND INTERNATIONAL TRADE

MR. PEARSON'S HOUSTON ADDRESS :Addressing the Conference of State Governors at Houston, Texas, on June 30, the Secretary of State for External Affairs, Mr. L.B. Pearson, said that Canada wished to see international trade "easier and not less easy both on this continent and throughout the world." Canada, he said, "would welcome any steps that could be taken in that direction or any discussion that would lead to such a result."

After noting that the trade between Canada and the United States was greater than that between any other two countries in the world, Mr. Pearson stressed the importance to Canada and other countries friendly to the U.S. of trade with the U.S.

"Their trade with you," he said, "is vital to them. In fact, your policies in this field can largely determine the economic health and stability of those countries whom you hope to have as co-operative and steady friends in time of peace and reliable and sturdy allies in case of war.

IMAGINATIVE GENEROSITY

"You have recognized this many times since the last war by great acts of imaginative generosity and enlightened self-interest; in repairing the ravages of war, and in promoting financial and commercial policies which would provide a good basis for future co-operation...

"We seem, however, to be moving again into a very trying period. There is a natural tendency now to place the whole emphasis on immediate military needs and to slacken in our efforts to liberate and expand international trade. Yet only by continuing to reduce the obstacles to trade can we broaden the base supporting our heavy defence programmes and thus ease the strain on our national economies, which might otherwise impair good relations among us.

"Economic assistance and defence support, or mutual aid, can never in the long run be any substitute for wise and farsighted trade policies. I know, of course, that such policies to increase and expand trade are the responsibility of all countries, not merely of those in North America. When that is said, however, the fact remains that, given your position as the strongest economic and political power in the world by any test, a large part of this responsibility for positive measures must inevitably rest with the United States.

"As the leader of the free world you have quite understandably been urging certain courses on your friends. I suggest that the adoption of those courses requires the greatest possible freedom in trade between you and those friends. You are urging those countries - and rightly so - to maintain political and social stability within their own borders. You

are asking them - and this comes close home to us in Canada - to develop their natural resources to the full for the general advantage and for the common defence. You are advising the free democracies - and this is reasonable - to forego undesirable trade with certain countries, even though this may involve serious economic problems for some of them. You are also quite rightly impressing on them the need for defensive rearmament.

"If, however, we in North America obstruct the efforts of these countries to earn their livelihood through increased exports to us, our common international objectives will suffer and encouragement will be given to the very trading policies which we deplore in those countries.

"It is for this reason that I see dangers ahead, in new tendencies towards, not greater freedom but greater restriction of trade; some of them contrary to international agreements already reached. It may be irritating to a number of producers in particular areas of this great and strong continent to compete with products from some smaller friendly but foreign country. But it may mean serious economic hardship for the whole of that foreign country if those products are excluded or unnecessarily hindered from entering the North American market. If the strong should take refuge in 'escape clauses', and administrative restrictions, what can be expected of those who are weaker and more vulnerable?

INTERNATIONAL TRADE

"Once started, where would the process end? Of one thing we can be sure, all our countries in the end would be left much poorer and less united than they are now. Can we really afford to invite such a situation for some real or imaginary short-term gain?

"We in Canada wish to see international trade easier and not less easy, both on this continent and throughout the world. We are prepared to do our part to this end and specifically to support moves designed to bring about the freest possible exchange of goods, with the minimum of obstructions and restrictions between our two countries. We would welcome any steps that could be taken in that direction or any discussions that would lead to such a result. Surely this makes continental common sense!..."

He then turned to Canada's defence effort and said, in part:

"While we realize in Canada, if I may put it this way, that we are paying only a small part of the piper's wages, it is enough, we think, to justify an objection once in a while if we don't like the tune that has been called. We might even be allowed occasionally to select an encore. In return we promise to play the instrument assigned to us in the

orchestra with a minimum of discordant notes. Occasionally, of course, we may ask a few questions of the leader of the orchestra.

"This is, of course, in the best North American tradition. It used to express itself in questions at the town meeting about 'no taxation without representation'. The principle, in view of the sterner realities of today, might be described in 1952 as 'no annihilation without consultation'. The application to international affairs of this principle of free consultation and co-operation between big and small so as to reconcile legitimate national interest with necessary international action, is not going to be easy and will require the patience of a Job and the understanding of a Solomon; the resource of a Houdini, and the persistence of a Robert the Bruce...."

* * * *

TAX AGREEMENTS: The Canada-United Kingdom Tax Agreement, which has been in force since 1946, was extended July 8 to cover the Governments of British Guiana and St. Lucia. This was formally effected by an exchange of notes between the Canadian and United Kingdom Governments under the provisions of the existing Agreement. This extension raises to 23 the number of colonial territories of the United Kingdom now covered by the Agreement. In September, 1951, 21 other colonial territories were accorded a similar extension, which widened substantially the scope of beneficial tax arrangements covering Canadian trade and investments abroad.

Details regarding the time of coming into force of these new provisions, as well as a list of all the territories affected by the Agreement, will be found in the Canadian Gazette.

* * * *

INDIA, PAKISTAN, CEYLON: The Prime Minister, Mr. St. Laurent, said in the House of Commons on July 3 that he would be most interested personally to visit the capitals of Commonwealth sister nations in Asia, but at the present time he had no plans for accepting invitations that had been extended to him.

His statement was in response to a question by Mr. Gordon Graydon, (PC-Peel) based on a newspaper report that the Prime Minister was planning a visit to India, Pakistan and Ceylon this fall.

Mr. George Drew, Leader of the Opposition, commented:

"I feel sure that should the possibility of such a trip present itself the Members of this House and the Canadian people would be most happy that the Prime Minister of Canada was able in that way to express the good will of Canada to the sister nations of the Commonwealth whose close association with us is so important at this time."

Mr. St. Laurent replied:

"I can assure hon. members that such a trip would be most interesting personally and I feel it would be the kind of gesture that most Canadians would like to see made whenever the time was convenient to make it."

* * * *

FARM EQUIPMENT VALUE TRIPLED: Total value of machinery and equipment on Canadian farms was more than three times as great in 1951 as in 1941, with increases on the farms of the provinces ranging from a low of 230 per cent to as high as 394 per cent, in terms of current market values, according to a bulletin based on returns of the 1951 Census of Agriculture released by the Bureau of Statistics. Contributing notably to the large rise in value were sharply increased numbers of trucks and tractors owned by farmers, a striking increase in grain combines on Prairie farms and widespread gains in the use of electrical equipment.

Overall value of farm machinery and equipment amounted to \$1,933,297,337, up 224 per cent from the total of \$596,046,300 shown in the 1941 Census. The 1951 figure compares with \$108,665,000 in 1901, showing a rise of more than 17 times in the fifty years.

Saskatchewan was the leading province in value of farm machinery and equipment with its farmers reporting a total of \$525,645,000, up 368 per cent from \$142,754,000 in 1941. Ontario was second at \$445,278,000 as compared to \$150,359,000, an increase of 296 per cent.

Number of tractors in use by farmers climbed 150 per cent in the ten years to 399,683 from 159,752, with 342,655 farms -- over half the total number of farms of all sizes -- reporting ownership of one or more tractors.

Total number of trucks on farms was 153 per cent greater than in 1941 at 196,115 compared to 77,480, the number of farms with trucks being two and a half times as numerous.

Grain combines increased 376 per cent in number to 90,500 from 19,013 in 1941.

* * * *

NEW CAR SALES: A total of 385,648 new motor vehicles with a retail value of \$950,159,511 were sold in Canada in 1951, a drop of nine per cent in number and a gain of seven per cent in dollar value over the 429,695 new vehicles sold for \$885,669,039 in 1950. New passenger car sales were 15 per cent below the previous year's level, and new commercial vehicle sales five per cent above.

During the year, 275,686 new passenger cars were sold for \$683,182,846 as compared with 324,903 sold for \$661,673,944 in the previous year, the average purchase price advancing to \$2,478 in 1951 from \$2,037 in 1950. Of the total number of new passenger car sales, British cars accounted for only eight per cent last year as against 20 per cent in 1950.

IMMIGRATION ACHIEVEMENTS OUTLINED

MINISTER'S ANALYSIS: Canada's immigration policy "is to admit to Canada in numbers not exceeding the absorptive capacity of our country and without altering the fundamental character of our people, such persons as are likely to contribute to our national life," the Minister of Citizenship and Immigration, Mr. Walter Harris, announced in the House of Commons on July 4 during consideration of the estimates of his Department.

Answering some earlier inquiries, he said his Department in its planning took into account the jobs available and the areas in which they were available as well as giving consideration to the countries from which immigrants are selected. He said in part:

"I want to make it clear that no policy of immigration can be operated on a stop and go basis. We cannot possibly develop that policy on a plan that calls for one specific immigrant for one specific opportunity. We must be prepared to have faith in our country and the opportunity it will offer to those prepared to work. This means that if we believe in Canada's future, if we believe ours is a developing country, we must be prepared to bring in some people knowing that when they are on the ground, Canada will have a place for them.

COUNTRIES OF SELECTION

"In regard to the question of planning and the countries of selection, I wish to assure the House that every effort is being made to increase the number of immigrants from the United Kingdom and France, and I am glad to report that during the fiscal year 1951-52 a total of 36,000 immigrants of English, Scottish, Irish and Welsh origin came to Canada, as compared with 15,429 in the previous fiscal year.

"From France we received 6,666, as compared with 1,845. We also had a large intake of people from the Northern European countries which in the past have contributed a good type of immigrant, who have readily become integrated into the Canadian communities in which they have made their home. I think that every debate on immigration has indicated that it is the desire of this House that we should have a substantial number from Northern Europe....

"At the end of May a total of 16,255 have come to Canada under the assisted passage plan and \$2,746,006, had been advanced in fares. So far the record of repayment has been good, and it is anticipated that by the end of July a total in excess of \$1,000,000-- will have been recovered....

"A few weeks ago in this House a return was made which indicated that in the past two years a total of 193 new industries had been established in Canada through investment of foreign capital. Not all of these industries were immigrant industries, of course, but a significant percentage of them were.

"It is true that in the years immediately following World War II a substantial percentage of our immigrants were displaced persons, but that percentage has been decreasing and more and more of those coming to Canada have come from a background of employment and the home. Last year only 22 per cent were in the displaced person category. The remainder were people who came to Canada voluntarily, because they saw here a developing country, a country with an expanding economy which offered opportunity to those who would work. These people do not arrive here penniless. True, the money they can bring is restricted by currency regulations, but in the calendar year of 1951 they brought to Canada more than \$60,000,000 in new capital.

CAPITAL AND SKILLS

"They brought capital. They also brought skills and all were consumers from the moment of their arrival here. That, I suggest, is an important aspect of immigration.

"Indications for 1952 are that the intake may not reach the 1951 figure. Because of the improved situation in regard to shipping we have been able to move to Canada in the first five months of the year a total of 82,000 persons.

"Substantially higher are the figures for British immigration which totalled 18,665 for the first five months of this year as compared with 10,599 for the first five months of 1951, and indeed a figure which exceeds our total British immigration in the calendar year of 1950 by over 5,000. The figures from France are also up with 2,426 arriving in the first five months of 1952 as compared with 1,747 in the same five months a year ago. The figures for other countries, while greater, are not so in proportion. It would appear that this year there will be a greater percentage from the United Kingdom and Northern Europe and a smaller percentage from the other countries, e.g., for the first five months 23% of all immigrants were from the United Kingdom as compared with 17% in 1951; 38% were from Northern Europe as compared with 34% in 1951; and 39% were from other countries as compared with 48% in 1951."

(Continued from P. 1)

\$241.1 MILLION SURPLUS

month period were \$41.4 million higher than last year, the total of \$189.7 million reflecting higher corporate earnings in 1951 and the increased tax rates imposed in the April, 1951, budget.

"Customs import duties decreased slightly by \$7.4 million. Excise tax collections at \$97.7 million were \$1.8 million less than in the comparable period of 1951-52 due principally to the fact that sales tax collections were credited to budgetary revenues in 1952-53 at the rate of 8 per cent compared with 10 per cent in the previous fiscal year. When the 2 per cent Old Age Security sales tax amounting to \$16.6 million is added to the total of \$97.7 million for excise taxes, there is a net increase of \$14.9 million in collections. Excise duties also showed a small increase of \$4.7 million as compared with the previous fiscal year...."

* * * *

LIVING-COST RISE: The Dominion Bureau of Statistics cost-of-living index advanced 0.6 per cent to 187.3 between May 1 and June 2, to mark the first upward movement in the index since January. Increases in the indexes of food and rent were sufficient to overbalance decreases in clothing, fuel and light, and homefurnishings and services.

Excluding potatoes, food prices were down on average, but an exceptionally large increase of nearly thirteen cents per ten pounds of potatoes, combined with higher prices for most other fresh vegetables and fresh pork, was sufficient to raise the food index from 235.3 to 237.0. Among other foods, decreases were registered for beef, butter, bacon, coffee, and oranges.

Further seasonal decreases in coal and coke lowered the fuel and light index from 150.6 to 149.8, while the miscellaneous items index remained unchanged at 147.4. Reflecting the results of a June survey, the rent index advanced from 146.3 to 147.9.

* * * *

CPS REVIVES ORIENTAL SERVICE On August 31, a Canadian Pacific steamship, the Maplecove, will sail out of Vancouver Harbour bound for Japan, the Philippines, and Hong Kong. Flags will fly and whistles toot as she clears the port, because her departure will mark the return of the CPS house-flag to the Canada Far East shipping trade.

A month later, on September 30, her sister ship, the Mapledell, will leave Vancouver. From then on, the two ships will conduct a monthly freight service between the ports of Tacoma, Seattle, Vancouver, Yokohama, Kobe, Manila, Cebu, Hong Kong, and Nagoya.

In resuming service, these ships will be carrying on a tradition that goes back to 1886, when the W.B. Flint, a chartered vessel,

arrived at Port Moody, B.C., with an oriental cargo for the infant Canadian Pacific Railway. Five years later the company began to operate its own vessels, with the Empress of India sailing from Vancouver to Japan. Gradually the well-known "White Empress" fleet of the Pacific was built up.... (From "Foreign Trade".)

* * * *

FARM PRICES AGAIN DOWN: Farm prices of agricultural products, as measured by the Bureau's index numbers, continued their general downward movement of the preceding months during May, although increases were recorded for four of the nine provinces for which the indexes are available.

A preliminary estimate places the overall index at 258.3 for the month, 6.5 points below the revised figure of 264.8 for April and 34.7 points or nearly 12 per cent below the figure of 293.0 for May last year. It was the fourth successive decline since January, when the index moved upward after an uninterrupted series of monthly declines from the high point of 307.2 in July last year.

The May decline in the index was due to lower prices for grains, live stock, dairy products, poultry and eggs, which more than offset a substantial increase in potato prices.

* * * *

HIGH COMMISSIONER IN INDIA. The Department of External Affairs announced on July 10 the appointment of Mr. Escott Reid, Deputy Under-Secretary of State for External Affairs, as High Commissioner for Canada in India to succeed Mr. Warwick Chipman, Q.C. Mr. Chipman is retiring this autumn after ten years' service first as Minister and later as Ambassador to Chile (1942-45), as Ambassador to Argentina (1945-49) and as High Commissioner in India (1949-52).

* * * *

CROP PROSPECTS GOOD: Crop prospects throughout the Prairie Provinces are generally good to excellent, the Bureau of Statistics reported on July 9. Timely rains have improved conditions in many areas where the threat of drought was present. Further rains will be needed, however, in much of the West to satisfy heavy moisture requirements of the thick stands of grain. Compared with the last two years, crops are well advanced for this date. Damage from insects and other causes has been generally light this season.

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MR. PACE'S VISIT: Hon. Frank Pace, Jr., United States Secretary of the Army, is visiting Canada from July 10 - 12 inclusive to confer with the Minister of National Defence, visit military installations and address members of the National Defence College.



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WEEK'S EVENTS IN REVIEW

GERM WARFARE REBUTTAL: The Minister of Justice, Mr. Stuart S. Garson, tabled in the House of Commons on June 27 a report by three Canadian scientists which he referred to as "a convincing rebuttal of Dr. Endicott's libelous and false charges that the United States has been guilty of bacteriological warfare in Korea and north-east China."

The report, he said, was the work of three distinguished Canadian entomologists, namely Dr. W.H. Brittain, F.R.S.C., F.A.I., Vice-Principal, Dean of Faculty and Professor of Entomology, Macdonald College, McGill University; Dr. A.W. Baker, B.S.A., head of the Department of Entomology and Zoology of the Ontario Agricultural College, and Dr. C.E. Atwood, M.S.A., Professor of Zoology, University of Toronto.

"None of these scientists, 'he added' is in the employ of the federal Government. As free men in a free society, without any sort of Government compulsion, direction or inspiration, they have, upon their own initiative, produced this reply to Dr. Endicott's untruths concerning bacteriological warfare and, having produced it, turned it over at once to the Parliament and the Government of their country."

Following is the partial text of the report submitted by the Canadian scientists:

ST. LAWRENCE DEVELOPMENT: The Prime Minister, Mr. St. Laurent, announced on June 30 that an application has been submitted by the Government of Canada to the International Joint Commission for an order of approval of the construction of works for the development of power in the International Rapids Section of the St. Lawrence River. The United States Government has also submitted a concurrent application in Washington for approval of the works which will be undertaken by entities to be designated by Canada and the United States.

Agreement was reached on the final details of the applications by the two Governments at a meeting in Washington on June 30 between the Minister of Transport, Mr. Lionel Chevrier, and the Acting Secretary of State of the United States, Mr. David K.E. Bruce. At the meeting in Washington, the Canadian Ambassador, Mr. H.H. Wrong, and the Acting Secretary of State exchanged notes in which Mr. Wrong reiterated the undertaking of the Canadian Government to construct the St. Lawrence Seaway when arrangements have been completed for the development of power in the International Rapids Section of the St. Lawrence River. The Canadian note outlines the arrangements under which navigation facilities for a deep waterway from Montreal to the Great Lakes will be undertaken by Canada alone. These

(Continued on P. 3)

(Continued on P. 5)

PRIVATE AND PUBLIC INVESTMENT MID-YEAR SURVEY

MR. HOWE'S REPORT: Total capital expenditures in 1952 on new construction and machinery and equipment are now estimated at \$5,181 million, four per cent above the estimate made at the beginning of the year and 13 per cent above the 1951 total. After allowance is made for higher average cost of capital goods in 1952, the physical volume of investment this year may be up by about eight per cent over that in 1951. These revised estimates for 1952, based on a survey just completed, were released on June 27 by the Minister of Trade and Commerce, Mr. C.D. Howe.

Within the total capital program for 1952, estimated outlays for new construction are now \$2,941 million, an increase of one per cent over the first estimate for this year and nine per cent above that for 1951. Machinery and equipment expenditures, now estimated at \$2,240 million, are six per cent above the previous estimate for 1952 and 18 per cent higher than that for 1951.

The expansion of Canada's basic industrial capacity is further emphasized by these new figures. The major increases over the earlier estimate appear in non-ferrous metal and che-

mical products, in central electric stations and in agriculture.

There are a wide variety of reasons for the revisions in the previous 1952 estimates. One of the most important is the initiation of new projects on which information was not formerly available. Also with work well advanced on a number of jobs management can now provide more accurate and more complete estimates than was possible in December 1951. In some cases, construction work has been progressing more rapidly than was expected, due in part to better availability of labour and materials. Earlier delivery dates for some types of machinery and equipment also accounted for part of the increase.

A comparison of the revised 1952 figures with those for 1951 is of interest. The total capital outlay for 1952 is now estimated at \$600 million or 13 per cent above last year. Increases in the groups showing upward revisions amounted to \$765 million. These were partly offset by declines of \$165 million in other sectors. Dollar and percentage changes from 1951 are shown below for the main sectors.

<u>Increases</u>			<u>Decreases</u>		
	Millions	per cent		Millions	per cent
Utilities	254	+ 28	Housing	82	- 10
Manufacturing	251	+ 33	Commercial services	25	- 23
Govt. Departments	182	+ 31	Trade-wholesale and retail	24	- 11
Mining	35	+ 21	Finance, insurance and real estate	22	- 28
Institutional services	17	+ 7	Forestry	12	- 18
Agriculture	17	+ 3			
Construction	9	+ 11			
Total	765		Total	165	

Some important changes have occurred within the main groups listed above. The increase in the utilities group is largely accounted for by additional outlays for central electric stations, steam railways, and pipe lines. These new activities are of primary importance in the expansion of the strategic resources of the nation. The additional expenditures in manufacturing are also closely related to the development of strategic resources; the principal increases occurring in paper products, iron and steel, non-ferrous metals, petroleum and chemicals. This expansion is supplemented by greatly increased expenditures on defence

installations, which is reflected in the change shown for government departments.

The offsetting declines are principally in those groups less closely related to the defence effort. Expenditures for such facilities as theatres, hotels, retail and wholesale establishments and premises for financial institutions show decreases from 1951. Outlays on housing are not expected to reach the record levels of 1950 and 1951. The emphasis on the expansion of basic industrial capacity shown in the original forecast is, in general, reaffirmed by the results of the present survey.

* * * * *

INDUSTRIAL DISPUTES: Time loss through work stoppages arising from industrial disputes in Canada during May, 1952, was higher than in the preceding month and more workers were involved, according to a preliminary summary of strikes and lockouts, released on June 27 by the Minister of Labour, Mr. Milton F. Gregg.

Preliminary figures showed 42 strikes and lockouts in existence during May, 1952, involving 22,973 workers with a time loss of 247,733 days, as compared with 35 work stoppages in April, 1952, involving 12,055 workers and a time loss of 178,605 days.

GERM WARFARE REBUTTEL

"The evidence offered falls into two categories. First, that of peasants, children and other biologically untrained persons such as Dr. Endicott, the 'International Jurists', presided over by a Professor of International Law, and scientists trained in fields other than biology. Second, that reported to have been given by entomologists and bacteriologists.

"With respect to evidence of the first type, Dr. Endicott and professors of physics, mathematics and international law are not much more capable of appreciating evidence in the field of biology than the 'honest old farmers' and 'bright-eyed children' from whom Dr. Endicott obtained much of his information.

"Unquestionably over 50,000 distinct species of insects occur in Korea and North-East China. No single entomologist anywhere in the world could know more than a small percentage of these. Statements by farmers that 'these insects' have not been seen in the area mean nothing. In our respective institutions many times in the course of a year we have insects sent in with the statement that they must be 'new' since no one in the community has seen them before. They always prove to be common insects well known to entomologists....

SPEECHES OF DR. ENDICOTT

"We have paid particular attention to the speeches of Dr. Endicott in Maple Leaf Gardens, May 11, 1952, and elsewhere. In an interview given in London, England, on April 29, 1952, Dr. Endicott said that he was not a 'scientific or technical expert'. Despite this statement, Dr. Endicott proceeds, in his various speeches and interviews, to give so-called evidence and make decisions thereon contrary to those which a trained biologist would make. In a Radio Peking broadcast, in English, on the Chinese International Service, April 12, 1952, Dr. Endicott is reported to have said 'I have seen the germ laden insects. In fact, I have caught some myself'. Since Dr. Endicott acknowledges that he is not a 'scientific or technical expert' it is obvious that he could not know the insects which he caught nor decide whether or not they were 'germ laden'.

"In other words, throughout his testimony, Dr. Endicott has either drawn conclusions which he is incompetent to make or has accepted hearsay evidence the credibility of which will be disproved later. Furthermore, Dr. Endicott has made statements which are contrary to the data submitted by the 'Commission of the Medical Headquarters of the Korean Peoples' Army on the use of Bacteriological Weapons'. These data are included in the pamphlet 'Documentation on Bacteriological Warfare' distributed by the Canadian Peace Congress, of which Dr. Endicott is Chairman.

"Dr. Endicott repeatedly refers to the 'excellent health service' maintained by the present Chinese Government. It is interesting to note that in the Peiping Peoples' Daily of February 25, 1952, an account was given of extensive epidemics of disease raging in several provinces of China with accompanying criticism of the public health service as negligent or incompetent. In the face of this, Dr. Endicott makes the astounding statement that 'any epidemics that there may be in China today are not the result of natural causes nor of neglect on the part of the Chinese authorities'.

"Statements of Dr. Endicott quoted above are at variance with the published records of the Chinese and North Koreans themselves. Other statements indicate an almost unbelievable credulity....

"Dr. Endicott states that he arrived in North-East China during the first week in April. This was some weeks later than the dates on which insects were reported to have been dropped. (Latest date in 'Documentation' March 4, 1952). Despite this he accepts the evidence of small boys with respect to something they claimed to have seen some time before, and places great emphasis on his own collection of spiders made a month after the date on which they are alleged to have been dropped.

TEMPERATE ZONE INSECTS

"Small boys could find insects on almost any farm pond in the temperate zone at the time of the year in question....

"What might be referred to as the scientific type of evidence is that appearing in the pamphlet 'Documentation on Bacteriological Warfare' distributed by the Canadian Peace Congress and the story, with illustrations, appearing in the Peiping Peoples' Journal of March 15, 1952.

"These accounts are put forward as proof of the practice of bacteriological warfare by the United States forces.

"Most of these accounts have to do with charges of the dropping of insects by United States aircraft. With respect both to the text and to the photographs, identification of practically all these insects is very vague from an entomologist's point of view. It is difficult for us to believe that trained entomologists could not identify these insects much more accurately than has been done in these documents - at least with respect to the main groups in which they occur.

"There is no evidence that the insects referred to or illustrated are not native to the region....

"What one would presume to be the cream of the evidence has been selected for the pictorial representation in the Peiping Peoples' Daily. This has been copied by many journals throughout the world.

"Four pictures of insects were published. Number one apparently represents a pile of dead flies which cannot be positively identified but which cannot be considered any evidence of bacteriological warfare. Number two is a mosquito with the wings removed. It belongs to the genus Aedes but is not a type known to carry disease. Number three shows two species of stone flies, one with long wings and one with short. These appear in the 'Documentation' both by name and suggestion and are described in the Peiping Peoples' Daily as 'poisonous insects which could fly, crawl and swim.'

"Stone flies can neither bite nor sting, are not poisonous and cannot carry human diseases. Moreover, certain types, including long-winged and short-winged forms, as shown in the picture, are called 'winter stone flies' because they emerge from streams while ice and snow are still present. These occur throughout the North Temperate Zone. It is obvious that they could be expected to be found in Korea and North-East China under the conditions described in the 'Documentation'.

"Number five represents a member of the order Collembola, a springtail; some of these small leaping insects are so common on snow that they are referred to as 'snow fleas'. It is certainly to be expected that they would be found on snow in Korea and North-East China. They are quite incapable of carrying human diseases. The Rickettsia organisms referred to in the 'Documentation' are commonly found in insects of a great many kinds but only a few are of significance in human disease and the Rickettsia of springtails is not one of these.

"Most of the insects and spiders referred to could be found on snow in fields or about ponds and streams early in the spring in temperate climates ...

"A picture of early spring insect occurrence such as described could be demonstrated by an entomologist in many places in the temperate zone....

BACTERIOLOGICAL EVIDENCE

"In this statement we have not dealt with the bacteriological evidence because it is not in our field and also has been completely answered by Dr. René Dubos, a bacteriologist of international repute, connected with the Rockefeller Institute. Regarding a picture of bacteria, in the series noted above, his general conclusion was that the pictures represent an amateurish attempt at 'scientific fakery'; that none of the bacteria were correctly named and that none of the bacteria they were supposed to be could be carried by insects.

"In conclusion, none of the evidence submitted could be accepted as scientific proof since in no cases, apparently, were tests made of insects or materials known to be of local origin in order to determine if they carried

disease germs. To an entomologist, in all cases where identification is certain, the insects referred to are obviously casual collections of local forms.

"We have shown that certain of the insects, etc referred to could be expected to be found normally in an active condition in Korea and North-East China in early spring and that no theory of bacteriological warfare is required to explain their presence. The others belong to groups which it has been scientifically demonstrated are inactive at the reported temperatures. Indeed some of them would survive for only a few minutes.

"Wholesale 'conditioning' of insects to low temperatures as charged has never been achieved "

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EMERGENCY BLOOD PROGRAMME: Requirements of blood and blood derivatives for transfusion to the thousands of casualties who might require them in a major disaster were considered at the first meeting of the working party on an emergency blood programme, established under the civil defence health planning group

Leading medical men from Canadian hospitals and universities who make up the working party explored all possibilities and considered procurement, stockpiling and even the types of product that might be required under disaster conditions such as whole blood, blood plasma and plasma substitutes.

It is expected that the working party will establish an objective for emergency blood supplies for Canada and will recommend what types of product should be stockpiled and how they will be provided to areas where they may be needed.

Dr. K.C. Charron chief of the civil defence health planning group was chairman of the meeting, held in Ottawa.

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COUNCIL OF THE NW TERRITORIES: A member from above the Arctic Circle, first in all the Commonwealth ever to be picked at a polar poll, will attend the forthcoming session of the Council of the Northwest Territories in Ottawa

The Minister of Resources and Development, Mr. Robert H Winters, announced on June 27 that the session, starting July 2, would probably last one week, with a heavy schedule including consideration of new ordinances for schools and workmen's compensation.

This will be the first meeting of the council to be held in Ottawa since its membership was reconstituted by inclusion of three elected members in addition to those appointed. The first meeting of the new Council was held at Yellowknife, N.W.T., last December, and it was also the first time that Council had met in the Territories.

(Continued from P. 1)

ST LAWRENCE DEVELOPMENT

navigation facilities, which will be constructed as early as possible concurrently with the power development, do not require the approval of the International Joint Commission.

The text of the Canadian application to the Commission, and copies of the notes exchanged in Washington, were attached to the press release of June 30.

The Leaders of all other parties rose in the House of Commons to express approval of the announcement when the Prime Minister tabled the documents on July 1. Mr. George Drew, Leader of the Official Opposition, the Progressive Conservative Party, said that, since it had been the decision in the United States not to proceed with the waterway part of the development, he hoped that Canada would proceed without any delay.

"I think it is appropriate," he said, in part, "that I should join my voice with that of the Prime Minister in expressing complete confidence that Canada is capable of proceeding alone and that there is no doubt whatever of our ability to finance the project...."

Mr. M. J. Coldwell, C. C. F. Leader, said, in part, "I feel confident that Canada can carry this project through; and, personally, I am rather glad Canada will be undertaking the project alone. There would be some value in demonstrating co-operation between these two great countries, but on the other hand, when I look into the future I think it is better that one of the two countries should undertake this, and be responsible for it."

In his statement of approval, Mr. J. H. Blackmore, Social Credit spokesman, said: "The Leader of the Opposition (Mr. Drew) said that Canada has the ability to carry out this project. I think we need only add, as I am sure the Leader of the Opposition intended to do, that Canada has the will to do it, too."

The Prime Minister said in part, when tabling the documents:

GOAL OF HALF A CENTURY

"While we shall always welcome the co-operation of the United States in undertakings of this sort which benefit the economies of both countries, it is fitting that, on the 85th anniversary of Confederation, we were able to take this major step toward the accomplishment of a goal which has, for certainly at least half a century, excited the imagination of so many Canadians. And after many years of negotiations and working out of arrangements for co-operating in the joint enterprise with our great neighbour to the south, we are now prepared to construct alone this deep waterway which will link the ports of the Great Lakes with all the other seaports of the world."

Later, in reply to Mr. Gordon Graydon (PC-

Peel) who asked if the Prime Minister knew of any obstacle that could be placed in the way of Canada developing the seaway alone, Mr. St. Laurent said:

"Our information is that under the laws of the United States this application can be approved by the International Joint Commission, and that its approval under the Treaty would make it binding upon the two countries. Of course the treaty could be repudiated before action is taken upon it, but I think that is most unlikely.

"Secondly, according to our information the Government of the United States has the right to designate the entity that would proceed with the Canadian entity in the construction of the works necessary to develop the hydro electric power. That entity, after having been designated by the Government, would have to get a licence from the Federal Power Commission, which is a semi-judicial body. There is no action required from the Congress of the United States in order to carry the project through. Of course the Congress of the United States could adopt laws preventing these agencies which now exist from exercising the jurisdiction they have under the present laws. But I think that is very unlikely, also.

"There is also the possibility, to which some consideration has been given, of opposing interests endeavouring to have the courts pass upon the regularity of the proceedings, and the extent of the jurisdiction of the Federal Power Commission. That is something that would be referred to the courts. But our information from our own law officers, and from the law officers of the United States Government, is that what is being done is regular, and that it is within the jurisdiction as it now exists of the Federal Power Commission.

"Of course the Canadian Government cannot proceed with the seaway phase of the undertaking unless there are two entities, one Canadian and one American, that are at the same time proceeding with the power phase of the undertaking. The President had told me quite frankly that he would not favour the designation of an American entity to proceed with the power phase unless there was an undertaking to proceed concurrently with the development of the seaway. In his opinion, it was highly desirable that both phases of the project be proceeded with at the same time.

"He had told me that he hoped the Congress would allow the provisions of the Treaty of 1941, with the appropriate amendments, to be carried out, and the two phases handled as the joint undertaking of the two countries, but that he felt it was so desirable to have the matter proceeded with at once that, if the Congress did not act within a reasonable time, he would exercise his executive power to designate an agency, and to put that agency in a position where it could apply to the Federal Power Commission for a licence."

DOMESTIC EXPORTS SET NEW RECORD IN MAY

U.K. TOTAL RISES: Canada's domestic exports continued their recent steady climb in May, rising nearly 18 per cent to reach an all-time monthly peak value of \$380,800,000 as compared with \$323,400,000 in the corresponding month last year. The cumulative total for the first five months of the year increased 20 per cent to \$1,714,800,000 as against \$1,427,700,000 in the corresponding 1951 period.

The increase in the month was in the volume of exports to overseas countries. Average export prices were slightly less than a year ago.

Exports to the United Kingdom rose to a new high for recent years, while there were large increases to India and Pakistan and most of Canada's larger European markets. Exports to Latin American countries also continued to move up in value. Value of exports to the United States was down slightly in May for the third successive month.

Sharp gains in exports of wheat and other grains, aluminum, aircraft and parts, planks and boards, copper and nickel, contributed in large measure to the rise in overall value of domestic exports. Moderate increases were shown for farm implements and machinery, zinc, asbestos, and precious metals. Cattle, beef and veal, wheat flour, fish and products, wood pulp and lead were lower in value.

Exports to the United States fell in value in May to \$198,873,000 from \$208,678,000 in the corresponding month last year, accounting for 52.2 per cent of total exports as compared with 64.5 per cent last year. The five-month total was up slightly to \$921,824,000 from

\$921,447,000, but the proportion was off to 53.8 per cent from 64.5 per cent.

Most of the decline in exports to the United States occurred in the animals and products and wood and paper groups, but there were also small declines in fibres and textiles, and chemicals. Most marked increases were among non-ferrous metals, and non-metallic minerals.

Exports to the United Kingdom were valued at \$85,600,000 about 80 per cent above last year's corresponding total of \$47,200,000. With gains also in the January-April period, the cumulative total for the first five months this year climbed to \$311,244,000 from \$202,256,000 in the similar period of 1951. A large part of the gain both in May and the five months took place among agricultural and vegetable products, wood and paper, and non-ferrous metal products.

Shipments to all other Commonwealth countries increased in May to \$25,593,000 from \$20,386,000 in the corresponding month last year, while the cumulative total for the first five months rose to \$128,773,000 from \$90,405,000. There were large advances in May to India and Pakistan, and moderate increases to Jamaica, and the Union of South Africa, but declines to Australia and New Zealand.

Exports to Latin American countries rose to \$23,140,000 in May from \$17,533,000 a year ago.

Exports to European countries rose in group total to \$33,222,000 in May, more than twice last year's total of \$15,806,000.

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INDUSTRIAL PRODUCTION UP: The Bureau's preliminary index of industrial production -- which measures the volume of output of mines, factories and electric power plants -- rose about two points in April to a level of 213.9 (1935-1939=100), to register its fourth consecutive monthly increase, according to the June issue of the Canadian Statistical Review.

For the first four months of this year, the index averaged 209.6. This figure is about two per cent below the level for the corresponding period last year, the Review points out, but represents a gain of 11 per cent over the first four months of 1950. The metals component of the mining index reached a postwar high in April as recent gains in the output of base metals were extended.

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HMCS QUEBEC TO U.K. Currently visiting St. Lawrence River ports, HMCS Quebec (cruiser) sailed from Halifax July 4 on a three-week training cruise to the United Kingdom, Naval Headquarters has announced. She will call at Portsmouth, England, on July 10.

ARMS FOR ALLIES: The Minister of National Defence, Mr. Brooke Claxton, announced on June 30 that Canada is sending the Royal Norwegian Army 250 two-inch mortars, with a supply of mortar equipment and bombs, under the NATO mutual aid plan.

The equipment will be loaded in Montreal and Quebec, and sent to the Port of Oslo. Shipment will start early in July.

France, Italy, Portugal and the Netherlands have received shipments of arms from Canada during the last two months.

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ASSIGNMENT TO NATO: Following a request from Lieutenant General Lauris Norstad, Commander-in-Chief, Allied Air Forces Central Europe, the RCAF will make available Air Vice Marshal C.R. Slemon for temporary assignment to that Command, it was announced on June 27 by Air Marshal W.A. Curtis, Chief of the Air Staff.



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WEEK'S EVENTS IN REVIEW

CANADA'S DEFENCE PROGRAMME: Canada's defence objectives are the immediate defence of Canada and North America from direct attack, implementation of any undertakings made by Canada under the Charter of the United Nations or under the North Atlantic Treaty Organization or other agreement for collective security, and the organization to build up strength in a total war, the Minister of National Defence, Mr. Brooke Claxton, said in a White Paper entitled "Canada's Defence Programme," tabled in the House of Commons last week.

"The direct defence of Canadian territory involves first of all the assessment of the likelihood of attack by sea, by land and by air," the document proceeds. "As Canada would be working with the United States in the event of any attack on North America, planning for territorial defence involves the determination of the kinds of attack that would be possible or probable and the part that Canadian forces could most advantageously take in joint continental defence.

"The most probable method of attack upon Canada and the North American continent would be by air. Canada and the United States have been working together to construct a network of radar stations and communications facilities to warn and direct squadrons of fighters.

"Permanent radar installations are being constructed to replace the temporary mobile

facilities now in operation. In accordance with joint Canadian-U.S. plans for aerial defence, a number of the stations in Canada which are of primary usefulness in the defence of the United States will be manned by U.S.A.F. personnel, beginning this summer. Installations of primary usefulness to Canada are being manned by R.C.A.F. personnel. Both Canadian and U.S. systems are closely integrated to form a single organization for North American aerial defence.

"At the same time fighter defence in Canada, both regular and reserve, is being built up. At present the fighter squadrons for this purpose are equipped with Vampire and Mustang aircraft. These will be replaced by CF-100's as they become available. In addition, there are a number of squadrons equipped with F-86E's and designated for the NATO air force in Europe. In the meantime they are available for the defence of this continent.

"Control and Warning Units of the Reserve Air Force have been organized and are training as part of the radar defences of Canada and the United States.

"In addition, the organization for a Ground Observer Corps is being prepared. Its function will be to provide a body of civilian aircraft spotters and observers to plot and report low flying aircraft over Canadian territory.

FARM CASH INCOME RISE: Farm cash income from the sale of farm products and from wheat adjustment and participation payments on previous years' crops was 18.4 per cent higher in the first three months of this year than in the same period of 1951, according to preliminary estimates by the Dominion Bureau of Statistics. The increase occurred for the most part in the Prairie Provinces, particularly in Saskatchewan and Alberta. Total for the first quarter was \$585,534,000 as compared with \$494,381,000 a year earlier. In addition, supplementary payments made to western farmers under the provisions of the Prairie Farm Assistance Act amounted to \$1,800,000 against \$7,900,000 in the first quarter of 1951.

Two factors largely contributed to the substantial gain in cash income. First, marketings of western grain were unusually heavy in the first quarter. This situation developed as a result of bumper prairie grain crops and adverse weather conditions which delayed harvesting and deliveries far beyond their normal seasons. Income from the sale of wheat, totalling \$82,100,000 in 1952, compares with \$34,300,000 a year earlier. Income from the other grains also displayed significant gains. Secondly, the Canadian Wheat Board distributed to farmers nearly \$49,000,000 in the form of wheat payments during the first quarter of this year. This payment compares with a total payment of about \$18,000,000 made on wheat, oats and barley during the corresponding period of 1951.

Income from the sale of live stock in 1952, at \$205,300,000, was 14.7 per cent below the first-quarter figure of \$240,600,000 in 1951. Contributing to this decline were smaller marketings of all live stock except lambs and hogs and a lowering of all prices except those for sheep. Increased production and prices provided an income from the sale of dairy products of \$68,400,000, 8.8 per cent above the estimate of \$62,800,000 in the January-March period of 1951.

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EXERCISE "JUNE PRIMER": The RCAF's No. 1 Fighter Wing, based at North Luffenham, in England, will participate in Exercise "June Primer", the climax of many training exercises which have been staged this month over Western Europe and the British Isles, RCAF Headquarters announced on June 23. Three F-86 Sabrejet Squadrons comprise No. 1 Fighter Wing.

Lt. Gen. Lauris Norstad, Commander-in-Chief, Allied Air Forces, Central Europe, announced in Fontainebleau the start of Exercise "June Primer" which will run for four days. In order to use all available forces, the exercise has been scheduled to coincide with regularly run smaller training exercises. These are: "Barrage", a fortnightly air-defence test; "Bullseye", a periodic night-striking mission by RAF Bomber Command; and "Skyscraper", trial day-

light bombing runs by the U.S. 7th Air Division from the United Kingdom.

According to Gen. Norstad's announcement, RAF Fighter Command will provide the strong jet-radar force necessary to give "June Primer" realism.

In addition to American, British and Canadian participation, "June Primer" will involve air-defence components of France, Belgium and the Netherlands, the Fontainebleau announcement states.

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MINISTER OF PORTUGAL: The Department of External Affairs announced on June 20 that Dr. Luis Esteves Fernandes had presented to His Excellency the Governor General at Government House his Letter of Credence as Envoy Extraordinary and Minister Plenipotentiary of Portugal to Canada.

The Under-Secretary of State for External Affairs, Mr. L.D. Wilgress, was present. The Head of the Protocol Division, Mr. H.F. Feaver, presented Dr. Esteves Fernandes to His Excellency the Governor General. The Minister was accompanied by Mr. G. Caldeira Coelho, First Secretary.

Dr. Esteves Fernandes is the first diplomatic Envoy of Portugal to Canada. He was born in 1897. He is a Doctor of Laws of the University of Lisbon. He is a career diplomat, having entered the Portuguese Foreign Service in 1920. He has represented his country at several posts including Paris, London, Madrid Tokyo. In 1946, he became Director General of Economic Affairs in the Portuguese Ministry of Foreign Affairs. In 1950, he became Ambassador in Washington, a post which he still holds concurrently with that of Minister to Canada.

Dr. Esteves Fernandes is married.

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EXPORTS SURPLUS IN APRIL: Canada had an export surplus of \$26,700,000 on foreign commodity trade with all countries in April. This was the eighth in as many months and compares with a large import surplus of \$92,900,000 in April last year. With export surpluses of \$21,000,000 in January, \$31,400,000 in February, and \$31,500,000 in March, the cumulative credit balance in the first four months this year advanced to \$110,600,000 as against an import surplus of \$217,100,000 in the same period of 1951.

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FRENCH FRIGATE AT LOBSTER FESTIVAL: The French Government is sending the frigate l'Aventure to pay a courtesy call at Shediac, New Brunswick, for the Shediac Lobster Festival this year, July 9 to 12, and the ship will remain there for the whole event. A Royal Canadian Navy vessel is to call at Shediac also.

ARCTIC MILITARY TESTS: Average men and ordinary machines under climatic extremes in the frozen Arctic are near the end of a gruelling six months' experiment in the execution of a typical engineer training and testing scheme.

Exercise "Eager Beaver I", which got under way last January along the Alaska Highway, was to test men and machines and the possibility of utilizing the vast Arctic snow cap for potential military bases. Troops with no specialist training from engineer units of both the Canadian and U.S. Armies tackled the construction of two airstrips with standard military equipment. The equipment was adapted for winter but not specifically designed for Arctic use. To date, practically the end of the exercise observation period, the scheme has been termed a success from the standpoint of troops and equipment.

About 150 Canadian and 300 American troops have taken part in the exercise. A former Alaskan highway construction camp on the shores of Kluane Lake was taken over as a base of operations.

Canadian engineers were assigned the task of constructing an airstrip on the frozen surface of Kluane Lake while American troops tackled the more arduous job of building a runway over muskeg on the lake shore. Both runways are of sufficient size to accommodate large, four-engined aircraft.

One of the main lessons to be learned from Exercise "Eager Beaver I" is the part nature will play in the preservation or destruction of the airstrip built on muskeg.

Contributing largely to successful operation of heavy equipment in the biting cold were new Arctic lubricants now available from industry. At times the temperature dipped to 65 degrees below and troops were forced to run their engines continuously.

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ARCTIC PATROL: On June 27th the Canadian Government Steamship, the "C.D. Howe", sails from Montreal on her third assignment to Arctic waters to carry out Canada's 30th annual patrol to the Eastern Arctic which provides administration, law enforcement, health, welfare and other services to Canada's scattered population of Eskimos and post personnel in these regions.

In a joint announcement issued June 24, by the Minister of Transport, Mr. Lionel Chevrier, and the Minister of Resources and Development, Mr. Robert Winters, it was stated that, weather and ice conditions permitting, the "C.D. Howe" would proceed as far north as Cape Sabine on the east coast of Ellesmere Island. It is also intended to pay a courtesy visit to Thule, Greenland, and to call at Resolute Bay on Cornwallis Island where the main Canadian-U.S. joint weather station is located.

The heavy passenger list of the "C.D. Howe" leaving Montreal is made up entirely of government officials and technicians. There is one

passenger on the list who will be the guest of the Government during the entire trip. He is the Deputy Governor of Greenland, Neils Otto Christensen, who is making a study of Canadian administrative methods in the Eastern Arctic. His visit to the Canadian Arctic is part of the exchange of information on northern regions which is being carried on between Denmark and Canada.

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CROP AREAS INCREASE: Total area of improved farm land in Canada was nearly six per cent greater in 1951 than in 1941 and the total area under crops 10.5 per cent greater, according to a bulletin based on returns of the 1951 Census of Agriculture released June 24 by the Bureau of Statistics. In the same period the total area of occupied farm land (including Newfoundland) increased only 0.3 per cent over the total area of the nine provinces in 1941.

Improved farm land of all provinces last year totalled 96,852,746 acres, an increase of 5,216,681 acres or 5.7 per cent over the aggregate improved area of 91,636,065 acres shown by the 1941 Census. Newfoundland accounted for 28,981 acres of the 1951 total. The 1951 increase was due entirely to gains in the three Prairie Provinces and British Columbia, decreases in area being reported in each of the Maritime Provinces, Quebec and Ontario.

The total area shown under crops was 62,212,086 acres in 1951, an increase of 5,932,176 acres or 10.5 per cent over the total of 56,279,910 acres recorded in 1941. As in the case of improved land, gains in the Prairie Provinces and British Columbia accounted for the overall increase, smaller crop areas being reported for Ontario, Quebec and each of the Maritime Provinces. Biggest increase in area under crops was in Saskatchewan, from 19,767,341 to 23,705,575 acres.

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PIPE LINE OIL DELIVERIES: Deliveries of oil by pipe line in March totalled 6,802,317 barrels, an increase of 167,698 over February, and an advance of 1,347,900 over March last year. During the first three months of this year net deliveries aggregated 20,501,626 barrels; an increase of 20 per cent over last year's corresponding total of 17,061,433 barrels.

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RECORD CEMENT OUTPUT: Canada's cement plants exceeded all previous records of production in 1951 when producers' shipments climbed to 17,007,812 barrels valued at \$40,446,288 from 16,741,826 barrels worth \$35,894,124 the previous year, according to the Bureau's annual report on the industry. Last year's shipments were more than double the shipments of 8,471,679 in 1945, gains being registered in each postwar year.

LIVE STOCK VALUE TRIPLED: Value of live stock on Canadian farms showed a three-fold rise in the decade between 1941 and 1951, despite overall decreases in the number of cattle, horses, swine and sheep, according to a report based on 1951 Census returns issued by the Dominion Bureau of Statistics. Substantial gains in value were registered in all provinces.

Aggregate value for all classes of live stock on farms was \$2,010,354,242 as compared with \$615,583,850 ten years earlier. Value for Ontario -- about one-third of that for all-Canada -- rose to \$683,328,284 from \$203,093,661 in 1941. Alberta had a second-place total of \$384,323,689 against \$104,065,826, and Quebec placed third at \$340,452,974 as against \$111,185,062.

Next in total value was Saskatchewan at \$283,223,123 compared with \$95,665,031; Manitoba, \$156,112,868 against \$50,803,976; British Columbia, \$71,437,080 against \$20,645,827; Nova Scotia, \$32,755,239 against \$11,632,661; New Brunswick, \$32,090,709 against \$11,973,859; Prince Edward Island, \$23,048,291 against \$6,517,877. Total for Newfoundland in 1951 was \$3,581,985.

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ALASKA HIGHWAY TRAFFIC BOOMING: Traffic on the Alaska Highway this year has increased by nearly 50 per cent over the same period in 1951. During the first four months of 1952, 5,885 automobiles carrying a total of nearly 15,000 persons travelled this wilderness route, and all indications point to the busiest year in its ten-year history.

The total traffic on the Highway last year was 23,406 automobiles, with 43,238 persons carried. If the present gain continues during the summer months, it is expected that more than 50,000 vehicles will use the Alaska Highway during 1952.

The route winds for 1,523 miles through some of the finest fish and game country on this continent. Although not paved, it is a gravelled all-weather highway on which good road alignment, grades and sight distance make possible an average 300 miles per day of un-hurried driving. The Highway's latest improvement project is the new steel-and-concrete Donjek Bridge, 200 miles northwest of Whitehorse.

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MANUFACTURING WAGES: Average weekly wages paid to hourly-rated wage-earners employed by leading Canadian manufacturing establishments at the beginning of April advanced to \$54.18 from \$53.29 a month earlier, and \$47.60 a year ago, while average hourly earnings rose to 129.0 cents from 127.8 at March 1 and 112.8 last year. The average working week at April 1 was 42.0 hours compared with 41.7 at March 1, and 42.2 at April 1, 1951.

NATO EXERCISE FOR N. EUROPE: A large scale exercise will be conducted on Europe's northern flank this fall with ships, planes and men of nations of the North Atlantic Treaty Organization participating.

NATO forces taking part in this operation, the largest of its kind ever conducted, will be under the two Supreme Allied Commanders, Admiral Lynde D. McCormick, USN, Supreme Allied Commander Atlantic (Saclant), and General Matthew B. Ridgway, U.S.A., Supreme Allied Commander Europe (Saceur).

The 13-day exercise, code name "Main Brace", will begin September 13. Saclant participation will include forces offered by eight NATO nations. More than 150 warships and hundreds of aircraft will take part in carrier, anti-submarine and convoy operations.

Military forces of Canada, Denmark, France, the Netherlands, Norway, Portugal, the United Kingdom and the United States, will participate.

The concept of the exercise assumes an attack on Europe's northern flank by theoretical "enemy" forces. The forces of Admiral McCormick's Allied Command Atlantic will assist Saceur's forces in meeting this attack.

* * * *

EXPORTS UP; IMPORTS DOWN: A summary of foreign trade figures for May released by the Dominion Bureau of Statistics shows a sharp increase in the value of Canada's total domestic exports to \$380,800,000 from \$323,400,000 in May last year, and a decrease in estimated total imports to \$387,900,000 from \$405,100,000.

Domestic exports to the United States declined to \$198,900,000 from \$208,700,000; and to the United Kingdom rose to \$85,600,000 from \$47,200,000. Estimated imports from the United States rose to \$284,400,000 from \$273,200,000, and from the United Kingdom fell to \$33,200,000 from \$43,600,000.

The May import figures are only preliminary and subject to revision.

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RETAIL SALES ADVANCE: Value of retail sales in the first quarter of 1952 increased 2.9 per cent over the same period of 1951, with accompanying increases for all three segments -- cash, instalment, and charge -- according to the quarterly report on retail consumer credit. Cash sales increased 1.9 per cent, instalment 5.2 per cent, and charge 5.4 per cent.

Total retail sales in the first quarter of 1952 advanced to \$2,314,300,000 from \$2,249,600,000 in the corresponding period of 1951. Cash sales rose to \$1,618,400,000 from \$1,589,000,000, instalment to \$193,300,000 from \$183,800,000, and charge sales to \$502,500,000 from \$476,800,000.

(Continued from P. 1)

CANADA'S DEFENCE PROGRAMME

"The Army is continuing to maintain a Mobile Striking Force for defence against a surprise airborne attack. The rotation policy being carried out in the 25th Brigade in Korea makes available to this force returning veterans with battle experience.

"In the defence of Canadian territory, the Navy is patrolling coastal waters, developing permanent seaward defences and preparing to keep open the approaches to harbours. Ships are being built and reconverted and equipped with the latest types of weapons, and are being manned by personnel specially trained for these duties."

After noting Canada's various contributions to United Nations' forces in Korea, the White Paper outlines Canada's present and potential contributions to NATO as follows:

AIR POWER CONTRIBUTION

"Air power will be the major contribution by this country to the Integrated Force of the North Atlantic Alliance in Europe. This is reflected in the relative size of expenditures on R.C.A.F. account and is in conformity with the view that this is a medium in which Canadian experience and capacity can most effectively be employed. It is proposed to increase the Canadian contribution from 11 to 12 squadrons of F-86E Sabre fighters. It is planned that a new squadron, with trained air and ground crew and the necessary aircraft will be set up about every two months. These squadrons will be equipped with F86 E fighters produced by Canadair Co. Ltd. They will be organized into an air division which is the air force formation normally adequate to provide air support for an army of four or more front line divisions.

"Two R.C.A.F. squadrons are now stationed at North Luffenham in England and more will be proceeding to Europe as the necessary facilities become available.

"The 27th Brigade Group has been raised, given its initial training in Canada and is now in Germany under General Eisenhower. It is grouped, in conformity with his advice, with the British Army of the Rhine.

"As its share of the North Atlantic defence, both in submarine defence and the protection of coastal waters and approaches, the Navy is to have a total of 24 ships available for service in 1952, and it will have, in addition, 12 ships for other purposes. As previously announced, the total figure is to be built up to about 100 ships and many small craft, either new or refitted and newly armed, by 1954.

"Since the inception of the Mutual Aid Programme in 1950, armament and ammunition of United Kingdom pattern for three divisions have been transferred to The Netherlands, Belgium and Italy. Additional quantities of armament and ammunition have been allocated to

The Netherlands, Belgium, Italy, France, Portugal, Luxembourg, Denmark and Norway.

"Further quantities of armament and ammunition, Firefly and Seafire aircraft and Griffon engines, have been transferred from existing stocks. As announced, Canada has arranged to make some hundreds of aircraft for the R.A.F. as mutual aid. The United States will supply and pay for what is called the "government furnished property", the main items of which are the jet engines, instruments and armament, representing about 30 per cent of the cost of each aircraft.

"Canada is similarly producing a number of F-86E's for sale to the United States and on this order, delivery has already commenced.

"Production of Canadian-designed walkie-talkie wireless sets, 155 mm. howitzers and No. 4 Mark VI radar sets, is proceeding and a number will be available for transfer in 1952-53.

AIRCREW FOR NATO

"Under arrangements made in 1950 Canada has undertaken to train aircrew for NATO up to a total of 1,400 graduates per year. As of January 31, 1952, 135 pilots and 84 navigators from the United Kingdom, France, Belgium, Italy, Norway and The Netherlands had been trained in Canada, and another 787 were undergoing training. The approximate cost to Canada for training a pilot has been \$22,000 and a navigator \$15,000 - this is in addition to initial capital costs which to date total approximately \$27.5 million.

"In 1950 Canada also offered vacancies in officer courses at Canadian Army Schools of Instruction to other member nations of NATO. A total of 53 officers from Australia, Belgium, France, India, Italy, The Netherlands, Pakistan, Portugal, the United States and United Kingdom attended Canadian Army courses.

"One of the most urgent requirements in connection with Canada's air contribution to NATO is the provision of airfields in Europe. The Twelve R.C.A.F. squadrons to be stationed on the Continent by 1954 will need four airfields, two in Germany and two in France according to present plans. This involves not only the building of runways but also the construction of hangars, maintenance facilities and living quarters.

"Under the arrangements agreed upon by the NATO Council, the provision of these airfields and associated facilities, known as infra-structure, is to be a joint operation. Of the portion of the programme to be initiated this year, Canada's proposed share is \$22.7 million of which only a part will be spent during the fiscal year 1952-53.

"So far as the airfields for Canada's use are concerned, the infra-structure fund will meet the cost of their operational elements, consisting of runways, taxi strips, hangars, operational buildings and communications, built to standards laid down by NATO.

"For the airfields in France, France will provide the necessary land, while living accommodation, messing and recreational facilities will be paid for by Canada. The basis of financing airfields in Germany has not yet been determined.

"The total expenditure in 1952-53 covering the contribution agreed to at Ottawa and Lisbon, living accommodation, messing and recreational facilities and contribution to SHAPE and other military headquarters is estimated at \$27.5 million.

"The expansion of Canada's active Navy, Army and Air Force, and the build up of industrial productive capacity for defence create conditions favourable to the most expeditious mobilization of all our resources if war should come."

In a section on Manpower, the Paper gives the Armed services strength on March 31, 1952 as 95,394.

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THE INTERNATIONAL SITUATION: There is no cause for retreat, discouragement or complacency in the international situation, the Minister of National Defence, Mr. Brooke Claxton, said in the House of Commons on June 24 in remarks preliminary to discussion of the estimates of his Department.

He spoke as follows on the international situation:

"No one I know in a position of authority or responsibility believes that war is likely in the near future; but no one knows that there will not be war and nothing has occurred to make the danger of war less than it was two years ago except perhaps the very fact that we have been successful in avoiding war over a difficult period. Whether it be due to what our allies and ourselves have done in building up our strength to prevent aggression under the North Atlantic Treaty, or whether it has been due to what our allies and ourselves have done to stop aggression under the United Nations effort in Korea; whether it be due to the industrial or economic strength - yes, the strength of the ideals of the freedom loving nations - the fact is that since the North Atlantic Treaty was signed three years ago we have had three years of freedom from war.

"Our experience before 1949 led us to enter into the North Atlantic Treaty in order to build strong foundations for freedom and peace. That decision was entered into, that decision has been acted upon, the treaty was made, the build-up is occurring and we have succeeded in

achieving that avoidance of war which was our original goal. There is no ground for discouragement; there is no cause for complacency; there is no reason for retreat. We are doing what we set out to do, and so far we are succeeding in our purpose.

"Having set our hand to the plow, having tooled up the factories, recruited and trained troops, we must continue the difficult task of maintaining our effort. The necessity for taking this attitude, the need for continuing effort, and the difficulty we can expect to meet in obtaining continued support for what is needed have been pointed out by me on numerous occasions over the last three or four years. So I make two points at the outset. First, there is no cause for retreat, discouragement, or complacency. Second, we must face the necessity of continuing this effort until some other foundation for security is found."

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SOME ASPECTS OF INTERNATIONAL TRADE: The article headed, "Some Aspects of International Trade," commencing on the front page of the June 20 Canadian Weekly Bulletin, should have been credited to Mr. Graham Towers, Governor of the Bank of Canada. This trade analysis was given by Mr. Towers at the annual meeting of the Investment Dealers' Association of Canada, St. Andrews-by-the-Sea, on June 13.

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LAKE ONTARIO LEVELS: The Department of External Affairs announced on June 26 that a Reference has been made to the International Joint Commission, under Article IX of the Boundary Waters Treaty of 1909, concerning the water levels of Lake Ontario. It has been agreed that consideration of this Reference shall not delay action by the Commission with respect to the development of power on the St. Lawrence River.

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MR. MENZIES' ADDRESS: The Prime Minister of Australia, Mr. Robert G. Menzies, addressed the Canadian Club of Ottawa on June 25. The Prime Minister of Canada, Mr. St. Laurent, conveyed the Club's thanks to Mr. Menzies after his address.

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ADJOURNING UNTIL NOVEMBER 20: The House of Commons will adjourn to November 20 when this session's business is concluded.



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WEEK'S EVENTS IN REVIEW

SOME ASPECTS OF INTERNATIONAL TRADE ... Long before the War ended, it was obvious that the disruption which it was bound to cause would leave many countries in a very weakened condition. For those which had suffered serious war damage or occupation, the task of restoring pre-war conditions would be a formidable one. And yet this in itself was not enough. Such countries needed resources to look after growing populations and to hold out tangible hopes of improvement in pre-war standards of living. The same could also be said of many countries which had not suffered war damage, but had been indirectly affected by the chaos in Europe and parts of Asia, and would continue to be affected by the weakened position of the European continent. The desire that things should be better, and the recognition that the strong must help the weak, was not inspired solely or even mainly by humanitarianism, in spite of occasional jeers to that effect from those who take a dark view of such things. It was based upon the belief that political security is founded on economic strength, and that unless the freedom-loving nations of the world could demonstrate their capacity for material progress, the international political consequences might be most unfortunate. Nothing has happened since the end of the war to indicate that this view was wrong.

Another belief was that economic strength could not be achieved if each country, or even groups of countries, put up barriers to trade and tried to pull themselves up by their own bootstraps. It was felt that the free world's interests could best be served by the maximum possible degree of economic cooperation between countries, so that the waste of resources in uneconomic production would be kept as low as possible. While, later on, I shall express the view that the world has not made great progress towards this objective, I think the objective itself still makes sense.

Since the end of the War, the views and beliefs which I have mentioned have been given tangible expression in a number of different ways. Fifty-one countries associated themselves with the International Monetary Fund and the International Bank for Reconstruction and Development. The articles of agreement of the Fund, in describing its purposes, state amongst other things that it is intended to facilitate the expansion and balanced growth of international trade and the development of the productive resources of all members. It is to assist in the establishment of a multilateral system of payments in respect of current transactions between members, and in the elimination of foreign exchange restrictions which hamper the growth of world trade. An-

(Continued on 0. 4)

CORONATION COMMISSION NAMED. On April 28, Her Majesty was pleased to appoint Tuesday, June 2, 1953, to be the day of Her Majesty's coronation. This announcement coincided with a statement of the establishment in London, under the chairmanship of His Royal Highness the Duke of Edinburgh, of a Coronation Commission on which Canada is represented. Her Majesty has been pleased, on the advice of the Canadian Government, to appoint as Canadian representatives on that Commission the Prime Minister, the Leader of the Opposition, the High Commissioner for Canada in the United Kingdom and the Official Secretary of the High Commissioner's Office in London.

The Canadian Government has now established a committee in Canada to assist it in making arrangements for Canada's participation in the Coronation.

The Committee is to be known as the Coronation Committee of Canada, consisting of the Secretary of State of Canada (Mr. Bradley), as Chairman, the Minister of Public Works (Mr. Fournier), the Minister of National Defence (Mr. Claxton), the Leader of the Government in the Senate (Senator Robertson), the Secretary of State for External Affairs (Mr. Pearson), the Minister of Veterans Affairs (Mr. Lapointe), the Speaker of the Senate (Senator Beauregard), the Speaker of the House of Commons (Mr. Macdonald), and the Leader of the Opposition (Mr. Drew). The Secretary of the Committee is the Under-Secretary of State (Mr. Stein)

The Committee will direct a working group (to be known as the Coronation Executive Committee) which will carry out its decisions and supervise the detailed arrangements in Canada. It will consist of representatives of a number of departments of the Government. All communications concerning the Coronation should be addressed to the Secretary, Coronation Committee, Department of the Secretary of State, West Block, Ottawa.

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RAF CONGRATULATES RCAF: Note of the RCAF's growing strength is contained in a congratulatory message sent by Marshal of the Royal Air Force Sir John C. Slesor, Chief of the Air Staff, RAF, in connection with the RCAF's sixth annual Air Force Day, set for Saturday, June 14.

The message, sent to Air Marshal W.A. Curtis, Chief of the Air Staff, RCAF, reads:

"Once more it is Canadian Air Force Day and it is my privilege to send you, and through you, the Royal Canadian Air Force, every good wish from all of us in the Royal Air Force. The contribution of our two Services to the strength of the free world increases with each year that passes. It is a particular pleasure to have your squadrons over here with us and we hope that they like being here as much as we like having them.

The best of luck to you all."

RAILWAY ANNUAL REPORTS: For Canada's two principal railway systems last year was a record one in both operating revenues and operating expenses, according to annual reports on the Canadian National Railways and the Canadian Pacific Railway Company issued today by the Dominion Bureau of Statistics.

However, in 1951 operating expenses increased faster than operating revenues, with the result that both systems had lower net operating revenues than in the postwar peak year of 1950, although in each case the net operating revenue was higher than in any other year since 1945.

The C.N.R., operating 24,176 miles of road, had operating revenues of \$624,834,120 in 1951 as compared with \$553,831,581 in 1950, operating expenses of \$580,150,221 as against \$493,997,079, and a net operating revenue of \$44,683,899 as against \$59,834,502.

The C.P.R., operating 17,009 miles of road, had operating revenues of \$460,369,966 in 1951 as against \$405,855,900 in 1950, operating expenses of \$410,442,244 as against \$349,283,886, and a net operating revenue of \$49,927,722 as against \$56,572,014.

In the year the C.N.R. carried 89,618,000 tons of revenue freight and 17,323,000 passengers as compared with 81,365,000 tons of revenue freight and 16,820,000 passengers in 1950. The C.P.R. carried 60,650,000 tons of revenue freight and 10,461,000 passengers as compared with 53,916,000 tons of revenue freight and 10,541,000 passengers in 1950.

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BUTTER AND CHEESE PRODUCTION: Creamery butter production rose 10 per cent in May and the first five months of this year as compared with a year earlier, while domestic disappearance advanced three per cent both in the month and the January-May period.

Cheddar cheese production dropped 13 per cent in May and 14 per cent in the five months. Ice cream output declined seven per cent in the month but rose three per cent in the cumulative period, while production of concentrated milk products advanced nine per cent in May and 11 per cent in the five months.

Production of creamery butter in May amounted to 31,736,000 pounds as compared with 28,771,000 a year earlier, bringing the five-month total to 77,976,000 pounds against 70,999,000. Domestic disappearance in the month amounted to 23,058,000 pounds against 22,489,000, and in the five months, 101,478,000 pounds against 98,644,000.

Cheddar cheese production in May was 7,846,000 pounds as compared with 8,996,000, bringing the total for the January-May period to 15,345,000 pounds against 17,922,000. Output of concentrated milk products in May totalled 58,606,000 pounds compared with 53,961,000, and in the five months, 160,329,000 pounds against 144,318,000.

RAILWAY REVENUES AND EXPENSES: Spurred by increased rates and heavier freight volume, operating revenues of Canadian railways for March soared to a new peak for the month at \$98,512,350, an increase of 11.8 per cent over last year's corresponding total of \$88,090,851, and second only to the all-time high set in October, 1951. Operating expenses rose 10 per cent to a record \$86,837,765 from \$78,953,008 in March last year. The resulting operating income was \$7,576,174 compared with \$6,362,976 a year ago.

All revenue accounts posted gains in March over a year earlier except passenger receipts, which were down to \$6,487,863 from \$6,844,288. Freight earnings in the month advanced to \$81,368,133 from \$72,318,345 in March last year, mail to \$1,083,824 from \$944,474, express to \$3,633,111 from \$3,011,713; other passenger trains to \$928,778 from \$760,313, water line to \$63,260 from \$43,898, and miscellaneous to \$4,958,381 from \$4,167,820.

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HOSPITAL BED CAPACITY: Canada's public hospitals had a combined bed capacity of 57,885 beds and cribs, and 9,534 bassinets in 1949, an increase of six per cent in the number of hospitals and of 3.8 per cent in the number of beds over the previous year, according to the detailed annual report on hospitals issued by the Bureau. The report covers the operations of 194 private hospitals, 94 federal hospitals and 21 hospitals for incurables, as well as of 719 public hospitals. The 1949 bed capacity compares with 43,374 beds (excluding bassinets) in 549 hospitals in Canada in 1933. In the 17 years the ratio of hospital beds per 100,000 population increased from 408 in 1933 to 427 in 1949.

General and special hospitals with a total capacity of less than 100 beds, cribs, and bassinets numbered 547 in 1949, or over 76 per cent of all public hospitals. Their combined capacity was 19,894, or 29.5 per cent of the total number of beds, cribs and bassinets, an average of 36.4 beds each as compared with an average of 276.3 beds each for hospitals having 100 beds or more.

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MEAT STOCKS: Stocks of meat held by packers, abattoirs, wholesale butchers and cold storage warehouses on June 1 rose to 91,840,000 pounds from 87,841,000 on May 1, and 71,797,000 on the corresponding date last year. Holdings of frozen meat were up to 58,846,000 pounds from 56,398,000 a month earlier, and 41,306,000 on June 1 last year, and fresh meat stocks advanced to 17,185,000 pounds from 15,835,000 on May 1, and 14,496,000 a year ago. Holdings of cured meat increased to 15,809,000 pounds from 15,608,000 at the beginning of May, but were down from last year's June 1 total of 15,995,000 pounds.

NEW DRB APPOINTMENT: Dr. O.M. Solandt, Chairman of the Defence Research Board, announced on June 11 the promotion of Dr. Nelson Whitman Morton, 52, Director of the Board's Operational Research Group since 1949, to Chief of DRB's newly-formed division "D".

Dr. Morton will be responsible for defence operational and medical research programmes and for activities in the fields of human resources and environmental protection. He will continue to work from Ottawa.

A leading figure in Canadian psychological circles, Dr. Morton played an important role during the last war in helping to initiate the Canadian Army's personnel selection programme and, prior to the end of hostilities, its in-service rehabilitation process for troops awaiting discharge.

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AGRICULTURAL COUNSELLOR FOR ROME: The Right Hon. C.D. Howe, Minister of Trade and Commerce, announced on June 10 that Dr. C.F. Wilson, Director of the Wheat and Grain Division of the department since 1943, had been appointed Agricultural Counsellor of the Canadian Embassy in Rome, where he would take up his duties in the near future with a view to the development of markets for Canadian agricultural products, particularly grain, in a number of European countries and the Mediterranean area.

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CANADIAN AMMUNITION FOR ITALY: Canada will ship 20,000 rounds of 5.5 medium artillery ammunition to Italy this month under the NATO mutual aid plan, Defence Minister Claxton announced on June 12.

The ammunition will be shipped from the Port of Montreal to Naples.

In April, Canada sent rangefinders, generators, lathes and compasses to Italy under the NATO plan.

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MARGARINE PRODUCTION: Production of margarine was two per cent higher in May, amounting to 7,898,000 pounds as compared with 7,733,000 in the same month last year. For the first five months of the year, 44,761,000 pounds were produced, six per cent below last year's corresponding total of 47,499,000. Stocks held by manufacturers, wholesalers and other warehouses at the beginning of June amounted to 2,518,000 pounds compared with 3,658,000.

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NICKEL PRODUCTION UP: Production of nickel in all forms in April amounted to 12,253 tons, up from 12,316 tons in the previous month and 10,536 in April, 1951. This brought the total production for the first four months of the year to 46,981 tons as against 42,701 in the similar period of 1951.

SOME ASPECTS OF INTERNATIONAL TRADE

other post-war development was the extension of very large credits by Canada and the United States to the United Kingdom and a number of other countries, mainly in Western Europe. One of the purposes of these credits was to assist the countries concerned in assuming the obligations of multilateral trade. Subsequently, as we all know, the United States contributed vast sums under the Marshall Plan to help freedom-loving countries regain their strength and cast off the economic fetters which weakness almost inevitably imposes. I should mention also the formation of a group of about forty countries in the general agreement on tariffs and trade commonly known as GATT. This group of countries has endeavoured to promote the reduction of tariffs, and the simplification and standardization of customs practices, in the hope of eliminating a number of the handicaps to international trade. Last but not least, there has come into being the North Atlantic Treaty Organization, a group primarily associated with defence but which recognizes in its charter the necessity for economic collaboration.

It is not surprising that Canada has played a part in these affairs or that Canadian post-war policy has been consistently directed towards the support of efforts to maintain a high level of international trade, to reduce or eliminate restrictions on imports, and to achieve convertibility of currencies. The attainment of such objectives would serve our best interests as well as - so I believe - the best interests of the world at large.

Today, seven years after the end of the War, it is, I think, worthwhile to enquire what degree of success has attended all these efforts, unprecedented in their scale. No one can deny that the positive accomplishments have been great. In the United Kingdom and the countries of Western Europe, industrial production is estimated to be some fifty per cent higher than before the War - this in spite of the terrific losses and disruptions caused by six years of fighting and, in many cases, enemy occupation: in spite of the closing of age-old channels of trade and of dismemberment of certain countries, in spite of the continuous efforts of Russia to inspire confusion and fear. The task which faced many of the countries was not just one of reconstruction. It involved the painful building up of something new. We are surely entitled to take a good deal of satisfaction in the progress achieved since 1945, not only in the war-devastated countries but in many other places round the world. At the same time, I think we would be well-advised to take a look at existing weaknesses in the world structure not for the purpose of sterile criticism but as the basis for a sober appraisal of the present position and future prospects as far as anyone can understand them.

Time does not permit a survey on all fronts so to speak, and in any event I am not qualified for such a job. So I am going to confine myself to the subjects which formed such an important part of post-war hopes and planning, namely the elimination of import restrictions, the convertibility of currencies and restoration of multilateral trade. Here the record is an unhappy one. Convertible currencies can be numbered on the fingers of one hand, and trade restrictions, often of a highly discriminatory character, are the rule rather than the exception. Why should this be so? Why should a large part of the world still be in this fix seven years after the War, in spite of the enormous amount of money and effort devoted to the solution of the underlying problems? To this question you can get as many answers as there are men. One answer which seems to be popular in certain places is the bad behaviour of the dollar countries - particularly the United States - in not buying enough from others. "The intractable dollar problem" it is called. Another reason given is that many manufacturing enterprises in the more highly industrialized countries of Europe have not been able to modernize their equipment and improve their processes to the extent achieved by those who were far from the scene of conflict and had ample resources at their disposal. Still another is the pressure of rearmament on countries which have relatively little to spare for this purpose if they are at the same time to maintain a tolerable standard of living. As regards certain countries - in the main, relatively undeveloped ones - which were not engaged in the War and are not burdened with substantial defence expenditures today, it is often pointed out that their growing populations and needs for capital development impose strains on their resources which almost inevitably result in import restrictions.

No doubt the various reasons put forward to explain the continuance of trade restrictions and currency inconvertibility all have some degree of validity. The difficulties to which they point have contributed, along with many other things, to a constant state of inflationary pressure in most countries in the world - pressure which has usually been relatively stronger in the non-dollar countries than it has been in the dollar area. There has been a constant attempt to do more than the resources of most countries would permit, even with such assistance as may have been received from outside sources. This situation is not surprising. There are growing populations to support, there is a keen desire for improvement of standards of living and many forms of social security, and in some cases more leisure time. North America has no monopoly on these needs and desires. We are simply more fortunate in our ability to fulfil them up to a point.

The countries which find themselves in this situation, whose desire outruns ability to pay, inevitably tend to use up their foreign exchange reserves. When there is strong pressure on a country's economic resources - which is one way of describing an inflationary situation - some of the pressure tends to spill across its borders, taking the form of an import surplus. If adequate foreign exchange financing to pay for this import surplus is not available from one source or another, the country soon finds itself in balance of payments difficulties. As we have seen time and again since the end of the war, the first reaction of countries in this position is to impose or increase restrictions on imports. If they have cash or credit in some currencies but not in others, the restrictions are likely to be discriminatory in character. In dealing with their payments problem by means of such restrictions, they are of course attacking the symptoms rather than the cause of the trouble, but it is often felt that getting to the root of the matter by anti-inflationary measures would set up intolerable political strains.

Now I did not come here today to inflict a philosophical discussion on you, so I will get to the main point which I wish to make, namely that import restrictions, for whatever reason they are imposed or retained, are contributing to a most serious weakening of the economic structure of the free world. Wherever they exist, you may be sure that labour and capital are being diverted to uneconomic uses, and this at a time when the need has never been greater for the most efficient use of capital and labour to build up the world's production of foodstuffs and primary materials as well as to improve the efficiency of manufacturing enterprises in countries best suited to their development.

The distorting and weakening effects on basic economic structures of the developments I have been referring to are strikingly illustrated in the way in which the world's production of foodstuffs and raw materials has been lagging behind industrial production. These comparisons are usually made with figures for the immediate pre-war period, and this is as good a basis as any other, provided one remembers the great increase in the world's population that has taken place during the last thirteen years. I am not going to cite global figures because they tend to be misleading, but let me remind you that the population of the United States and Canada has increased by nearly 20 per cent since 1938 and the population of the United Kingdom and Europe, west of the Iron Curtain, has increased nearly ten per cent.

In summarizing briefly the situation regarding world production of primary products, I think I can do no better than quote from an address made not long ago by John H. Williams, Professor of Political Economy at Harvard

University and a Vice-President of the Federal Reserve Bank of New York:

"A great change appears to be under way in the relation of industrial production and trade to foods and raw materials. For perhaps three-quarters of a century, the problem has been whether the industrial countries could absorb the food and raw materials which they had been instrumental in developing in other countries, on terms of trade tolerable to the latter. Now the imbalance appears to be swinging the other way. Owing partly to the expansion of industrial output in Europe under the Marshall Plan, and even more to our own absorption of raw materials, there is a general world problem of availability of supplies. Again, this problem has been much accentuated by the rearmament program; but it was becoming apparent even before Korea. World industrial production since 1938 has grown by some 50 per cent, while the output of food and raw materials has at most increased by 10 per cent. Some experts have estimated that, apart from the United States, the world's food production is now lower than before the war; and if we take out a few items, such as petroleum and aluminum, this may well be true also of the raw materials."

This decline in the relative importance of the world's production of foodstuffs and raw materials threatens to have serious effects both on the countries which have in the past produced surpluses of primary products and are now turning more and more to manufacturing industry, and on the consuming countries which are dependent on foreign supplies of foodstuffs and raw materials.

So far as the former group of countries are concerned, many of them have shown in recent years an ardent desire to increase their manufacturing facilities. Factory chimneys belching forth smoke have come to be regarded as symbolic of economic progress. No doubt a greater degree of industrial development in under-developed countries is most desirable over a period of time. But when capital resources are relatively scarce, the question of priorities assumes major importance. The first law of economics applicable to a situation of inflationary pressure is that goods are scarce and have alternative uses. What the import restrictions do is set up false priorities; they make the worse appear the better alternative. By their effects on prices and profits; they encourage the development of secondary industries which are dependent on continued import restrictions or prohibitions for their survival. In many cases, these industries produce non-essential goods. Import restrictions produce a situation which draws people away from the country to the cities. They reduce the relative profitability of the production of exportable foodstuffs and raw materials which have to face world competition, and they therefore operate to reduce the pro-

duction of these essential things. In a word, the effect of the restrictions is to channel resources in the wrong direction to perpetuate inflationary conditions, and to weaken the basic economic structure of the countries applying them.

The economic development of under-developed areas is a task of great importance and urgency. These countries are poor and populous; their domestic savings are low; they need foreign capital for their development. Policies which weaken the basic economic structure do not make for attractive investment opportunities.

Turning now to the industrial countries, it is clear that developments along the lines I have been mentioning carry great risks in the way of reduced supplies of foodstuffs and raw materials, and adverse terms of trade. If one excludes countries such as Canada and the United States, it is difficult to find many examples of substantial increases in the pre-war level of production of foodstuffs and raw materials. Moreover, increases in domestic consumption in the producing countries have in many cases tended to reduce the size of exportable surpluses. These developments are of great significance for highly-industrialized European countries which have traditionally depended on overseas suppliers of foodstuffs and raw materials.

Canada and the United States are exceptions to the tendencies I have been describing: our production of foodstuffs and raw materials has increased quite considerably. But the fact that we are able to supply the goods does not get them into the hands of the United Kingdom and other industrial countries which need them: there is the slight matter of payment which intervenes. And unfortunately the same tendencies which have been operative in some of the primary producing countries have also, for somewhat different reasons, been operating in certain industrial countries, with debilitating effects on their economic structure and on their capacity to make payment for their imports in the only ultimately feasible way - by exporting the right goods to the right places at the right time at the right prices. In these industrialized countries too, inflationary pressures have been strong and have given rise to balance of payments difficulties: here too the difficulties have resulted in import restrictions. The consequence is the same: resources are misdirected and un-economic production encouraged. Originally imposed to meet balance of payments difficulties, the import restrictions in effect in these countries, and the special discriminations which others practice in their favour, become props for industry to lean on, and on

which industry ultimately becomes dependent. Temporary in their conception, the restrictions have continuing weakening effects. As the French, with their customary realism, point out, "Il n'y a rien qui dure comme le provisoire".

When a person from a country fortunate enough not to have import restrictions points to their evil consequences, it is often thought that his remarks are prompted only by a desire to sell more goods to other countries, and that in the process he develops into a preacher of perfection. I would not like to have it said of me that my capacity for taking a stern view of other peoples' duties is matched only by my ability to maintain a calm, philosophical attitude towards other peoples' troubles. I want to assure you..... that I have not fallen into the habit of preaching, that I am well aware of the difficulties confronting other countries and that I do not think there is any easy solution to the problems which I have been discussing. Perhaps I am just exercising the traditional right of the banker to "view with alarm". But in all seriousness, I do suggest that the present state of affairs constitutes a chink, and indeed more than a chink, in the armour of the free nations and that it represents a weakness in the economic foundation underlying their defence efforts - a weakness which, if allowed to develop, could become very great indeed.

If I am right in these anxious thoughts, then we must hope that people will not be merely "against" the paraphernalia of import restrictions, special currency arrangements and so forth in the way that everyone is "against" sin. The world did not get into the present position because of deliberate choice, but because at each moment of time the immediate situation seemed to call for action along certain lines, and the longer-run future consequences seemed remote and unforeseeable. The future - or part of it - is at hand; and the longer-run consequences of past emergency measures are clearly perceptible in many fields. If countries are to get out of these entanglements, they must first of all base their policies on a clear recognition of the direction in which they wish to move, and then make sure that the measures adopted produce incentives which lead in this direction and not - as has so often been the case since the end of the war - in the opposite direction. If international balance at a high level of transactions, without import restrictions, is to be attained and the misdirection of economic resources avoided, we shall have to make an ally and not an enemy of the system of prices and incentives.

S4S 52/25.

Address by Graham Towers,
made to the Investment Dealers Association of Canada
St. Andrews-by-the-Sea, N.B. 12/6/52.



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

CANADA AND THE UNITED STATES: Speaking to the Alumni Association of the Massachusetts Institute of Technology, Cambridge, Mass., on June 9, the Minister of Resources and Development, Mr. Winters, said in part:

The manner in which Canadians and Americans live side by side, do the same things, share the same interests, and have the same concern about the fate of the Brooklyn Dodgers and the Boston Red Sox, and, perhaps most of all, our 4,000 miles of undefended boundary, make us unique in the eyes of the world. When everybody else regards us as being ideal examples of friendly neighbours, it is only reasonable that we should take our friendship for granted. Certainly it is farthest from my mind this evening to say or do anything which will cast doubts. Rather it is my hope that by looking briefly into some of the things we take for granted that we will find reason to cherish our mutual friendship even more and thereby perhaps strengthen it.

The United States and Canada are two of the biggest countries in the world. The United States land area is approximately 3,022,000 square miles, making it the world's fifth ranking country in size. Canada's land area is 3,845,000 square miles, making it the world's third ranking country in point of size. The United States consists of 48 states, each of which has its own government, with a Federal Government at Washington. Canada consists of 10 provinces, each with its own government. In addition, we have the Yukon and the Northwest Territories. Our Federal Government is located

at Ottawa, Ontario - not Ottawa, Illinois. In the United States, the state governments and the Federal Government have various authorities and responsibilities assigned to them by the Constitution, whereas in Canada the various provincial governments and the Federal Government have their functions defined by the British North America Act. Your Constitution dates from 1789 whereas ours dates only from 1867. I would gather that your states, quite properly, guard their rights and fields of jurisdiction just as jealously as do our provinces.

Canada's smallest province is Prince Edward Island with an area of 2,184 square miles, which compares with the land area of your smallest state, Rhode Island, of 1,214 square miles. Our biggest province is Quebec, with an area of 595,000 square miles, as compared with your biggest state, Texas, with an area of 267,000 square miles. Lying north of our provinces and straddling the Arctic Circle, are the Yukon and the Northwest Territories, which taken together account for 40 per cent of the land and fresh-water area of Canada.

Those are basic features. In addition, every Canadian knows that the United States is bountifully blessed with resources and has a wide variety of climatic conditions and scenery, all of which, when considered in combination, provide your large population of 157 millions with abundant opportunities to earn their livings on a standard not equalled by any country in the world.

PUBLICATIONS: The following is a selected list of Canadian Government publications received in May, 1952, by the Library of the Department of External Affairs:

Committee to study combines legislation: Report of the Committee to study combines legislation and interim report on resale price maintenance. Ottawa, Q.P., 1952. Pp 72.

Department of Defence Production: First report of the Department of Defence Production, April 1 to December 31, 1951. Ottawa, Q.P., 1952. Pp. 52.

Department of Labour: Annual report on wage rates and hours of labour in Canada October 1950. Ottawa, Q.P., 1952. Pp. 140 (Report no. 33)

Department of National Health and Welfare: Health insurance in Denmark. rev. ed Ottawa, 1952. Pp. 67. (Social Security Series, Memorandum no. 9).

Department of Trade and Commerce: 60th Annual report, 1951. Ottawa, Q.P., 1952 Pp. 59. Price 25¢.

Dominion Bureau of Statistics: Survey of elementary and secondary education 1946-48. (Part I of the biennial survey of education in Canada, 1946-48). Ottawa, Q.P., 1952. Pp. 160 Price 50¢

Foreign Exchange Control Board: Annual report to Minister of Finance for the year 1951. Ottawa, Q.P., 1952. Pp. 24.

* * * *

NEW BUILDINGS FOR NRC: Work of the National Research Laboratories has expanded considerably in recent years to meet Canada's growing requirements for the application of science to an ever-increasing industrial economy. Defence requirements have stimulated this expansion especially in electronics, aeronautics, engineering and building research. Peacetime research is also being carried forward in these fields as well as in physics, chemistry and biology. Technical assistance continues to be rendered to small industries on an important scale. Support is being given through grants-in-aid, scholarships and fellowships, to the advanced training of research workers both in NRC laboratories and in Canadian universities.

Continued growth of work in the laboratories has made it necessary to provide additional accommodation. New buildings are accordingly being erected on the Montreal Road site in Ottawa where the aeronautical and hydraulics laboratories are already located in a number of steel-frame and concrete block buildings finished with stucco. This type of construction is very suitable for laboratory purposes, since existing buildings can be readily extended without destroying the architectural scheme. All buildings on the Montreal Road site are well spaced to avoid crowding and to permit expansion as needed.

The new supersonics laboratory constructed

last year is now in operation. It is characterized by a large sphere, 35 feet in diameter, connected to the supersonics tunnel for which it provides the necessary power. In operation, the sphere is first evacuated by four rotary-vane pumps. When a valve connecting the tunnel and the sphere is opened, air rushes through the tunnel until the sphere is filled. The rate at which the air passes through the tunnel can be regulated. Speeds up to five or more times the speed of sound can be attained. The tunnel can be run every 10 or 15 minutes. Stainless steel models of aircraft are used in the tunnel.

An addition to the supersonics laboratory is being built to provide for more extensive research on thermodynamics. This study is important in the solution of problems relating to the design of jet aircraft, which now operate close to and above the speed of sound.

Nearby, also on the Montreal Road site, foundations are being put in for the new office and laboratories to house the Division of Building Research. This new structure is believed to be the first ever designed specifically to serve the needs of building research.

* * * *

CIVILIAN REHABILITATION CO-ORDINATOR: The Federal Government announced on June 6 the appointment of Ian Campbell, of Toronto, as National Co-ordinator of Rehabilitation Services for the Civilian Disabled.

Previous to accepting his new position, Mr. Campbell was for some years associated with rehabilitation programmes carried on by the Ontario Provincial Government. At the time of his appointment, Mr. Campbell was Director of Old Age Assistance for Ontario, and previous to this was, for some years, Superintendent of the Workmen's Compensation Board Convalescent Centre at Malton, Ontario.

Mr. Campbell's new job will be to supervise a long range rehabilitation programme to co-ordinate the efforts of public and private agencies throughout Canada who are working on behalf of disabled persons who have no veteran's or workman's compensation help and who cannot earn their own living. It has been estimated that there are about 150,000 persons in Canada in this category.

* * * *

ARMY BAND TO KOREA: The 34-man band of the famed Royal 22e Regiment, now based at Valcartier, Que., will go to Korea around June 20, to entertain Canadian and other United Nations' troops, it was announced at Army Headquarters on June 5.

The band will fly from Vancouver for a month-long tour during which it will entertain troops in Korea and Japan. This will be the first visit of a Canadian Army band to the Korean theatre. No Canadian Army bands are based with the troops there.

CANADIAN EXPERT TO VIET NAM David A. Morse, Director General of the International Labour Office, announced on June 10 that Albert Landry of Shawinigan Falls, Quebec, Canada, has been sent to Viet Nam as technical assistance expert to help the government there with vocational training problems.

He will advise on the training of instructors for vocational training centres and schools, on the organization of training, methods of recruitment, development of courses and curricula.

Mr. Landry was Assistant Director of the Shawinigan Technical Institute when his services were loaned to the ILO by the Canadian Government. Since March this year he has been in Libya helping the new government there set up centres for training badly needed clerks and technicians

* * * *

U.S. TO MAN RADAR STATIONS A number of radar installations being constructed in Canada as part of the North American radar system are to be manned by United States Air Force personnel, it was announced by Air Force Headquarters on June 7

Limited numbers of USAF personnel are scheduled to begin arriving at the stations concerned during July. The manning of these stations by USAF personnel is in line with long-term plans for joint Canadian-US aerial defence of the Continent, and is also part of the integrated training scheme between the two countries. The stations to be manned by US personnel are primarily intended for the defence of localities in the United States.

* * * *

CANADIAN WHEAT AND FLOUR EXPORTS: Exports of Canadian wheat as grain in April amounted to 20,000,000 bushels, 2,900,000 bushels more than in the preceding month and more than half as large again as the April, 1951, figure of 12,700,000 bushels. This brought the cumulative total for the first nine months of the current crop year to 189,800,000 bushels, 66 per cent above the 114,100,000 bushels exported during the August-April period of 1950-51. This year's nine-month exports already exceed totals for each of the preceding five crop years.

Wheat flour exports in April totalled 5,355,000 bushels in terms of wheat -- highest monthly total for the current crop year -- as compared with 5,809,000 a year earlier. In the first nine months of the crop year, exports aggregated 34,218,000 bushels as against 40,268,000 in the similar period of 1950-51.

Some 62,500,000 bushels, representing almost one-third of Canada's August-April exports of wheat went to the United Kingdom. Other major markets were: United States, 27,600,000 bushels (of which 4,300,000 were for milling in bond); Japan, 12,700,000; Belgium, 12,200,000; and Italy, 9,300,000

RCAF GROUND SCHOOL: The RCAF will open a Ground Defence School at RCAF Station Camp Borden this month for instructional training in active and passive defence measures, it was announced by Air Force Headquarters on June 6.

The new school will be under the command of Flight Lieutenant Brian P. Coote, M.C., 33, of Woking, England. F/L Coote is on loan from the RAF Regiment in the United Kingdom.

The instructors, both officers and non-commissioned officers, who are graduated from the school will conduct unit ground defence training programmes at various RCAF Stations across Canada. Training will include instruction in all types of small arms including the light machine gun, bazooka and mortar.

* * * *

CHEMICAL INDUSTRIES HIGHEST IN 1951: Production of Canada's chemical and allied products industries rose about 17 per cent in 1951 to reach an all-time record value, according to preliminary figures compiled by the Dominion Bureau of Statistics. Total for the year amounted to \$759,350,000 as compared with \$646,871,000 in 1950

Higher prices for chemicals and chemical products accounted for a substantial share of the gains in output values in recent years, but in terms of physical volume it appears that the increase in 1951 compared with 1950 was about six per cent and with 1939 about 140 per cent.

* * * *

MONTHLY RENT INCREASED \$10.00 IN DECADE:

Housing rents in Canada rose an average of a dollar a month per year between 1941 and 1951, according to a special compilation by the Dominion Bureau of Statistics of housing data for the provinces and cities of 30,000 population and over, based on a 20 per cent sample of Canadian dwellings taken during the 1951 Census.

* * * *

QUEEN'S BIRTHDAY HONOURS LIST: Twelve officers and five non-commissioned officers of the Army and Air Force were included in the Queen's Birthday Honours List released June 5 in London.

Fourteen officers and men of the RCAF's Thunderbird Squadron received awards and citations for duty on the Korean airlift in which 426 Squadron has been engaged since July 27, 1950.

* * * *

INDUSTRIAL PRODUCTION: Canada's industrial production index in the first quarter of 1952 was slightly below the same period last year, but well ahead of the first quarter of 1950 and in line with the long-run trend, according to the May issue of the Canadian Statistical Review.

(Continued from p. 1)

CANADA AND THE UNITED STATES

We Canadians know, too, that American citizenship is cherished by each of your citizens and eagerly sought by so many people living under less favourable conditions. Canadians have perhaps had more reason than other peoples to note with satisfaction and with some pride, and certainly with the greatest of admiration, the manner in which you Americans have assumed the responsibilities that necessarily fell upon you as a result of your phenomenal advancement. We have noted, too, the generosity with which you have shared your blessings with other peoples less fortunate than yourselves.

Here on this south side of the border, your interest in Canada has naturally fallen a good deal short of our interest in you. Canada has not meant the same to Americans as the United States has meant to Canadians. I think you will agree, however, that the history of the last 15 years has encouraged many Americans to take a closer look at their northern neighbour. You may have been reading reports lately about the economic expansion taking place in Canada, particularly in the discovery and development of our natural resources. The story is an important one, not least for what it tells us about the economic interdependence of our two countries.

CANADA'S DEVELOPMENT

Let me first say something about the pattern of Canada's development. At the turn of the century our population was about 5,500,000. Even now, according to the census taken last year, it is only a little more than 14 millions, about the same as your state of New York. There is just one Canadian for every 11 Americans. In this half-century, however, Canada's economy expanded a good deal faster than her population. While our numbers are less than three times what they were in 1900, the volume of our national output has risen fivefold. The output of our manufacturing industries and the volume of our export import trade have increased even more than that. The expansion of the Canadian economy has been especially noteworthy since 1939. In the last dozen years our annual production of goods and services as a whole has increased by no less than 90 per cent. Like yours, our industrial growth was hastened by the Second World War. We have reached the point in our development as an industrial nation where industrial workers outnumber farmers by more than two to one.

When we come to compare the United States and Canada, we must be struck by a number of important similarities as well as differences in our economies. Both countries have drawn on immense natural resources to build economies properly balanced between industrial and rural - which give our peoples the world's highest living standards. But Canada is still at an earlier stage of development than the United States. We are only now in the process of

building our first good continuous highway from coast to coast

Again, in relation to our total output, Canada has a much greater stake in foreign trade than you have. Last year, for example, our exports of merchandise accounted for well over one fifth of our national income. For the United States the corresponding figure was one eighteenth of national income. For years now, Canada has been one of the world's great trading nations, and presently ranks fourth after your country, the United Kingdom and France. On a per capita basis our exports are exceeded only by New Zealand's. Facts such as these point up the great interest Canada has in the maintenance and expansion of a free flow of international trade.

Another difference between us is that today Canadians are devoting more to investment than Americans are, in relation to national output. The great reason for this lies in the relatively greater number of opportunities for resource and industrial development in Canada. To outside eyes, the pace at which we have been discovering and developing our great natural resources no doubt stands out as the most striking and newsworthy feature of Canada's recent economic history.

NATIONAL PATTERN

The pattern this development has been following is particularly notable. First of all, important projects are not confined to one or two provinces, but are located from coast to coast, and from our international boundary to the Arctic. Some of the most significant of them are centred on the fringe and beyond the fringe of present day settlement, and involve a continuing discovery of Canada. Some of them are still in what may be described as the "tooling up stage" If we were to pick them out on the map, they would provide a very neat geography lesson in themselves. Taken together, these developments pay great tribute to the richness and variety of Canada's natural wealth. They are placing new areas in the forefront of Canada's national affairs.

This story of Canada's resource development is of direct and immediate concern to you in the United States and to the free world as a whole. A high percentage of our production of an impressive variety of raw materials and other products has long been shipped to other countries. For more than a decade Canada has been the world's leading exporter of base metals. We produce about 80 per cent of the world's nickel, 28 per cent of its aluminum, half of its platinum and two-thirds of its asbestos. We rank second in zinc and gold production, third in silver and fourth in copper. Canada also supplies about 30 per cent of world exports of wood pulp and 80 per cent of newsprint exports.

The United States has particular cause to be grateful for the wealth of Canada's natural resources and their availability. The products

of our mines, fields and forests contribute not only to your standard of living but to the strength of your defences. You need our nickel and asbestos. Eighty-five per cent of your newsprint comes from Canadian wood. We supply you with uranium. In these anxious 1950's, Canada's resources have become a bulwark in the defence of a free world whose need for them has grown with its preparations to defend itself. The accelerating pace of their development may be reckoned as a real contribution to our joint defence preparedness. It is partly a joint undertaking of both our countries because a great influx of capital from the United States is providing the means and the stimulus for bringing into production several of the most impressive discoveries of mineral wealth made in Canada in a long while. Let us take a brief look at some of the most important examples of our resource development, but before we do, and lest there be a wrong impression, let me state that we in Canada are financing over 80 per cent of our development. Foreign financing represents less than 20 per cent.

NEW DEVELOPMENT

A new chapter in the history of Canadian iron-ore production is now opening in the wilderness along the Quebec-Labrador boundary some hundreds of miles north of the St. Lawrence River. Ore shipments are scheduled to commence in 1954 with an initial annual output of two and a half million tons. But ore can be shipped only after a railway 360 miles long and built northward over difficult terrain at an estimated cost of \$100,000,000 is completed. Given the St. Lawrence Seaway, production might reach 20 million tons annually. Joined with other important iron-ore developments, especially in Ontario, it could raise our total output of iron ore from the current level of 4,700,000 tons annually to as much as 33,000,000 tons. I believe that in 1950 the United States produced about 110 million tons of iron ore.

Farther west, we come to the extensive nickel-copper deposits at Lynn Lake in the northern part of the Province of Manitoba. A 50-million dollar project now under way there - including a 155-mile railway - is scheduled to result by 1955 in an annual production of 8,500 tons of nickel and quantities of copper sulphide and scarce cobalt. In Saskatchewan, a townsite is growing up around a great uranium deposit at Beaverlodge Lake. In Alberta, there is the impressive oil development which in a bare five years has increased Canadian petroleum production six-fold. In 1947 we produced only 10 per cent of our domestic oil requirements; today our production is close to 50 per cent of our needs and our potential is much greater. The story of Alberta oil is still unfolding. On the Pacific Coast, 400 miles north of Vancouver, British Columbia, abundant water power has induced the Aluminum

Company of Canada to embark on a half-billion dollar project whose first stage will bring in from 80,000 to 100,000 metric tons of new aluminum capacity by 1955. A further stage could increase this capacity to more than 500,000 tons by 1957. Measure this against the 400,000 metric tons, or 28 per cent of the world total, produced in Canada in 1950, and you gain a good conception of how big and important this Western development is going to be.

As Minister of Resources and Development, my responsibility for, and interest in, the Yukon and the Northwest Territories have taken me into Canada's Arctic annually. I have been fascinated by what I saw. Most Americans probably picture these regions as a Never-Never Land locked in eternal ice. Actually, the Arctic Circle itself is sometimes visited by 90 degree temperatures in mid-summer - although by something else again in deep winter. We are discovering that the Canadian North Country is a storehouse of resources. The mining of pitchblende was begun at Port Radium on Great Bear Lake, just 25 miles under the Arctic Circle, as far back as 1933. Farther south, at Yellowknife, on the shore of Great Slave Lake, north of the Province of Alberta, there has for years been an important gold-mining camp.

CANADA'S NORTH

At Pine Point, also on Great Slave Lake, there are extensive lead-zinc deposits which are now undergoing thorough exploration as the potential site of a really large-scale mining operation. At Ferguson Lake, in the Eastern Arctic - the home of the barren ground caribou - a promising deposit of nickel is about to be given a thorough examination. The search for oil begun in Alberta is surging rapidly north into the Territories under the urging of keen interest by your major oil companies. In the Yukon, the historic creeks of the Klondike, which half a century ago yielded their gold to the primitive hand-methods of the pioneers who followed the Trail of '98, are now being worked by enormous dredges. East of there, at Mayo, there is already an important base-metal production which seems certain to undergo a marked expansion within the next few years. Interesting possibilities exist for other mineral developments in the Yukon, where the Federal Government is building a hydro-electric installation to help them along.

INTER-RELATIONSHIP

Altogether it is an impressive story. In the North, as in the rest of Canada, a great deal of exploration remains to be done before we shall be able to judge the extent and the ultimate potential of our resources. We cannot even guess how the face of Canada will be transformed over the next half-century as our people come to know more and more about the richness of their country. Already our recent economic history has prompted the Principal

of McGill University in Montreal to compare and contrast three "expanding economies". The first of these was in England from the accession of Queen Elizabeth in 1558 to the Great Exhibition of 1851, - it is interesting to note that we are celebrating the birthday of Queen Elizabeth II in Canada today; the second was in the United States from the Civil War to the Year 1929; and the third is the present expansion of Canada. Of this he said: "In Canada, the comparable phase of economic expansion can be said to have begun in 1939 and, since we are still in the first flush of intoxication, I am not even going to guess at its terminal date". Your own elder statesman Bernard Baruch said: "If I were a young man today, I would go to Canada."

As I suggested earlier, there is good reason why Americans should regard this Canadian expansion not as something foreign and remote, but rather as something which in one way or another is of direct concern to all of you. It is only natural that the economic interdependence of our two countries should be more keenly realized on the Canadian side of the border, because it has meant more to us than it has to you. The establishment in Canada of well over 2,000 branch plants of American industry has brought us along the road of industrialization at a much quicker pace than we could have achieved by ourselves.

Another measure of the importance of our economic ties with the United States is provided by the fact that in 1951 you supplied 69 per cent of our imports and bought 59 per cent of our exports. But these economic benefits are not, of course, all on one side. Canada has been your best foreign customer for a long while now; last year, for example, we purchased almost three billion dollars' worth of American merchandise. Then as you know, American industry has gained from employing the services of thousands of engineers, physicists and chemists born and trained in Canada. Again, the heavy northward movement of American capital has been your response to the many opportunities Canada has offered for profitable investment.

Considering all this, both the United States and Canada can be grateful for the economic links between our two countries. There are many things about Canada with which Americans are as familiar as we are. It doesn't cause even a raised eyebrow to say, for example, that in the Athabaska tar-sands alone, in Northern Alberta, there is more oil than in all the known commercial oil reserves of the world put together. It may be a matter of mild surprise to Americans visiting Canada to learn that our dollar is stronger than yours. But perhaps the one thing which - more than anything else -- has served to emphasize to you our present capacity, is our willingness -- in fact, eagerness -- to build the St. Lawrence

Seaway alone, if we cannot get your help, and to develop our share of its power.

Let us reflect now on how the Second World War and these years of uneasy peace have widened the range of our joint concerns and responsibilities. Canadians and Americans have dedicated themselves to the achievement of a set of common objectives. We are seeking, first of all, to obtain greater international security through the binding together of like-minded nations. I need not tell you how in Canada have been impressed by the willingness of the United States to assume the full responsibilities of the free world's leader. For her part, Canada is showing the same readiness to bear her share of the burden that she showed between 1939 and 1945. Just as during the War and in the years after, Canada is paying her own way, and has had no occasion to seek out or receive financial assistance from other countries. Many editorial writers in the United States overlook this fact.

OUR NORTH AMERICAN OBJECTIVES

Approximately half of our national budget of about four and one-half billion dollars is earmarked for defence. Our preparedness programme is many-sided, and will absorb a substantial proportion of our energies for some time to come. Our armed forces have doubled strength since the outbreak of the Korean war, and Canadian units have taken their place beside American forces both in Korea and in Europe.

The United States and Canada have also shared the objective of helping to restore the war-torn economies of Europe and Asia and of raising the standards of living in underdeveloped countries. There can be no complete measurement of the contribution made by your E.C.A. programmes to the building up of the free world. On our side, Canada made available, in various forms, a total of \$2.7 billions in economic assistance to other countries in the years 1945 to 1950. Related to national income this contribution was not exceeded by any other country. You also have your Point-Four programme, while we are participating in the British Commonwealth's Colombo Plan for South and Southeast Asia.

Thus it is that Americans and Canadians are working toward the achievement of similar objectives in international forums and in the development of national economic policies. If we often do not go about this in exactly the same ways, there are good reasons for it. We do differ in tradition, in culture and in the temperament of our people, in our constitutions and in our political institutions, and in the stage of our economic development. Just because this is so, there is great need for mutual understanding of how each of us tackles the problems facing both our countries....



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WEEK'S EVENTS IN REVIEW

PEARSON TO EISENHOWER: Following is the text of a letter to General Eisenhower from the Chairman of the North Atlantic Council, Mr. L.B. Pearson, released by the North Atlantic Treaty Information Service in Paris on May 22, 1952:

Dear General Eisenhower:

As President of the North Atlantic Council, I wish to send you this message as you relinquish the Supreme Command of Allied Forces in Europe.

No word from me is really necessary to draw attention to the results of your work in this vital post, for the increase in our defensive strength and our unity is the most eloquent testimony of your energy and effectiveness.

In 1951 you accepted the call to return to active military duty with characteristic readiness to be of service. Since then you have given such leadership to our cause, that our

NATO efforts to establish and preserve the peace will long bear the imprint of your influence. I have, thus, to thank you not only for your great services in the defence sphere, but also for the contribution to the morale of our cause which flowed from your convictions, your enthusiasm, and your persistence in pursuing our common purpose.

I know that the knowledge that you have made a unique contribution to the aims of NATO will be full compensation for your efforts and that you will always derive satisfaction from the assurance that you carry with you the gratitude and the highest esteem of all those, from high to low, who have laboured with you to achieve the peace for which we all so ardently long.

Yours sincerely,

(Signed) L.B. Pearson

LARGE APRIL JUMP IN CANADA'S DOMESTIC EXPORTS

RISE 18 PER CENT IN 12 MONTHS: Boosted by further large gains in shipments to the United Kingdom, Latin American countries, and Europe, the value of Canada's total domestic exports jumped almost 18 per cent in value in April to \$346,800,000 from \$295,200,000 in the corresponding month last year. There was a small decline in exports to the United States. Exports of foreign produce were down to \$3,832,000 from \$4,982,000.

With substantial gains also in each of the first three months of the year, aggregate domestic exports for the January-April period climbed 21 per cent to \$1,334,000,000 from \$1,104,400,000 a year ago, while foreign exports were up to \$16,651,000 from \$15,394,000. Four-month values were larger for all main geographic areas.

Both for the month and for the January-April period the greater part of the increase in value was due to a larger volume of exports. The volume gain was about 17 per cent for April alone, and 16 per cent for the cumulative period. Average export prices continued to decline during the month and remained less than one per cent above those of April, 1951.

There were sharp increases in April in the exports of wheat, other grains, fish and fishery products, wood pulp, newsprint paper, copper and products, nickel, zinc and products, and aircraft and parts. As a result of the embargo following the outbreak of hoof and mouth disease, no cattle were exported during the month. Decreases were also shown in the exports of wheat flour and planks and boards.

Exports to the United States decreased in

value in April to \$181,104,000 as compared with \$183,184,000 a year ago, accounting for 52 per cent of total domestic exports as compared with 62 per cent last year. Four-month value was up slightly to \$722,951,000 as against \$712,770,000 in the similar period of 1951, but the proportion dropped to 54.2 per cent from 64.5 per cent.

Exports to the United Kingdom increased substantially to \$71,020,000 from \$41,721,000, raising the four-month total to \$225,655,000 from \$155,015,000. The increase both in the month and cumulative period mainly resulted from sharp gains in agricultural and vegetable products, wood and paper products, and non-ferrous metals and products.

Exports to all other Commonwealth countries rose in value in April to \$22,282,000 from \$19,596,000 a year earlier, and to \$103,180,000 in the four months from \$70,018,000. In April there were substantial increases in exports to India and Pakistan, Ceylon, Jamaica, Trinidad and Tobago, and New Zealand, but lower values for the Union of South Africa, Federation of Malaya and Australia.

Shipments to Latin American countries continued the sharp gains of previous months, rising in April to \$26,745,000 as against \$14,321,000 to make a four-month total of \$105,239,000 as compared with \$51,013,000. Largest increases in both periods were to Brazil, Cuba, Mexico and Venezuela.

Exports to European countries rose in total value in April to \$27,999,000 from \$19,538,000, and to \$111,639,000 in the four months from \$66,602,000.

* * *

GAS RESTRICTIONS LIFTED FOR AIRCRAFT: The Minister of Defence Production, Mr. C.D. Howe, announced on May 29 that restrictions on the distribution and sale of aviation gasoline in Canada will be lifted on June 3. This action is in line with that followed by the Petroleum Administration for Defence in Washington.

These restrictions were imposed early in May when strikes in the United States seriously reduced the production of aviation gasoline.

* * * *

EMPLOYMENT UP: Unemployment took a sharp downswing during the first two weeks of May as spring activity was underway in farming, navigation and construction work. The number of persons seeking work through the National Employment Service at May 8 totalled 283,000, a drop of nearly 100,000 from the seasonal peak reached in the first week of April. In comparison with the same date last year, applications for work at May 8 were nearly 90,000 higher, the Department of Labour has reported.

LABOUR INCOME AT PEAK: Estimated total of salaries and wages and supplementary labour income was at a high level for February, aggregate for the month, at \$846,000,000, rising 15.4 per cent over last year's corresponding total of \$733,000,000. For the first two months of this year, labour income advanced 14.8 per cent to \$1,679,000,000 from \$1,463,000,000 in the similar period of 1951.

* * * *

CANADA-U.S. TRAVEL: Travel between Canada and the United States by rail and plane increased in January as compared with a year earlier, while there was lessened travel by bus and boat. Entries of visitors from the United States by these four modes of travel increased from 55,151 to 56,674, while returning Canadians decreased in number from 90,970 to 88,666.

GEOLOGICAL SURVEY PLACES 77 PARTIES IN FIELD

EXTENSIVE 1952 PROGRAMME: The Geological Survey of Canada will place 77 parties in the field this year to carry out an extensive programme of geological investigations and mapping projects in each of the provinces and in Yukon and Northwest Territories, the Minister of Mines and Technical Surveys, Mr. Prudham, announced on May 28. This compares with 88 parties placed in the field by the Survey in 1951.

Highlight of the programme is the application of a new field technique, geological reconnaissance by air, which is designed to map and study Canada's geology on a scale hitherto considered impossible. This technique is being tried out in what is known as Operation Keewatin by five geologists with the use of helicopters and supporting aircraft over 100,000 square miles of territory lying west of Hudson Bay toward Great Slave Lake and stretching northward about 250 miles from the southern boundary of Northwest Territories. The area to be thus explored lies entirely in the Canadian Shield and mostly in the Barren Grounds and the Survey hopes to so appraise it geologically this season as to select those sections warranting the attention of prospectors. Should the experiment prove success-

ful, it would mean the carrying out in one season of geological mapping and study requiring many seasons by the conventional canoe and ground methods.

In Yukon a party will commence the reconnaissance of a large area in the east part of the Territory where there are occurrences of iron and possibly of tin and other minerals. Fifteen parties will continue to map and investigate the geology of British Columbia where exploratory interest in base metals is at an all-time high.

Geologists will continue the mapping of the uranium belt in the Goldfields area of Northern Saskatchewan and will carry on with the special mineralogical studies of uranium-bearing deposits in the area.

Two parties will commence the four-mile mapping of the Seal Lake area lying east of the Quebec-Labrador iron belt, where occurrences of copper and other base metals have been reported.

A number of parties will carry out pleistocene geological mapping in the different provinces. Much of this information will be applied to the evaluation of ground-water resources.

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NEW WARSHIPS CHRISTENED: The names they will bear to sea in the service of the Royal Canadian Navy will be given two ships at a double christening ceremony at Sorel, P.Q., on Saturday, June 14, Naval Headquarters announced on June 3.

At the same time U.S.-designed guns, produced for the first time in Canada by Sorel Industries Ltd., will be delivered to the Royal Canadian Navy, the United States Navy and the United States Army.

The Arctic patrol vessel now being completed by Marine Industries Ltd. will be named HMCS Labrador by Mrs. St. Laurent, wife of Prime Minister Louis St. Laurent.

The coastal minesweeper under construction in the same shipyard will be christened HMCS Chignecto by Mrs. Brooke Claxton, wife of the Minister of National Defence.

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NATO "SPIRITUAL LIFE CONFERENCE": Representing the Canadian Army at a five-day "Spiritual Life Conference" held recently in Zeist, Holland, were Col. C.E. Beaudry, Director of Chaplain Services (RC) from Army Headquarters, Ottawa, and the two senior chaplains of the 27th Canadian Infantry Brigade Group, Maj. J.F. Leduc (RC), Berthierville, Que., and Maj. D.R. Anderson (Protestant), Montreal.

Lt.-Gen. I.A. Aler of the Dutch Air Force welcomed some 60 senior chaplains of three faiths -- Roman Catholic, Protestant and

Jewish -- from the armed forces of 10 Atlantic Pact countries to the Netherlands meeting. Purpose of the conference was to enable the chaplains to become acquainted with the spiritual and welfare problems of the various NATO forces.

The conference was sponsored by the allied air forces and addressing the meeting were Lt.-Gen. Lauris Norstad, commander-in-chief of the allied air forces in continental Europe and Gen. F. Lechères, chief of the French Air Force.

The principal speaker was the retiring SHAPE commander, Gen. Dwight D. Eisenhower. The keynote of his address was the supreme need for religious action in a democratic society adding that "faith and freedom are two sides of the same coin -- without the one, the other cannot exist."

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CHANCE GOING TO PICMME: The Department of External Affairs announced on May 30 that Mr. Leslie Godwin Chance, C.B.E., M.C., is being granted leave of absence to take up the position of Chief of the Department of Administration in the Provisional Intergovernmental Committee for the Movement of Migrants from Europe (PICMME), with headquarters at Geneva...

Mr. Chance, who will be accompanied by his wife, will leave Ottawa about the middle of June to take up his post in Geneva on July 1, 1952.

THE FUTURE OF PALESTINE

MR. PEARSON'S ADDRESS: In an address, to a meeting sponsored by the Jewish Community of Toronto, on June 1, the Secretary of State for External Affairs, Mr. Pearson, said, in part:

The dual task of reclaiming a land placed as Israel is placed today, and of restoring a dispersed people to normal living involves both economic and what one might describe as purely human problems of such extreme difficulty that responsibility for dealing with the issues concerned could hardly have been assumed by present-day Jewish leaders were it not for the intensity of the Jewish feeling of revolt against cruelty and discrimination suffered in Europe since medieval times. That revolt is an expression of the stubborn hope in adversity, of that inflexible determination to survive which has typified Jewish life and inspired Jewish legend.

FORTITUDE IN ADVERSITY

You recall perhaps the story that in the latter days the Almighty, being discouraged by the wickedness of mankind, decided to send a new and more destructive flood to put an end to what seemed after all to have been an unsuccessful experiment in the creative field. This time there would be no Noah and there would be no ark. There were, however, three good men in the world whom God wished to warn - a Moslem, a Christian and a Jew. To them in turn he sent his angel bearing the message that floods were about to descend and that even the highest mountains would soon be covered by deep waters. The Moslem addressed himself to prayer and the Christian to confessing his sins. The venerable Jew, however, stroked his beard and said reflectively to his heavenly visitant, "Very interesting indeed! But is it not going to be something of a problem to find a way of surviving under thirty fathoms of water?"

It is a small area - no larger than Lake Erie - which the Jewish people are now seeking to use as the geographical territory within which their national survival shall be assured. Nor is the present population of Israel large. As a result of mass immigration in the past four years, the total has now reached approximately the level it had attained before the Arab exodus, but even now, after these four years of heroic rescue work, it is only about twice the population of Toronto.

The stature of a land, however, is not measured by a surveyor's instrument, nor the greatness of a nation by the census-taker. Israel's future rests on many things which mere statistics cannot show. This land now represents for a gifted, but scattered and often frustrated people the possibility of realizing the twin principles of self-liberation and self-help which were advocated in the last century by Leon Pinsker as the only adequate answer to anti-Semitism....

That great Jewish sociologist, the late Dr. Arthur Ruppin, to whose courageous work as one of the builders of Israel Dr. Weizmann has paid special tribute, stated in his book "The Jews in the Modern World" that the original source of anti-Semitism is the group instinct, which like the herd instinct of animals welds men connected by common descent, language, customs and interests into a cohesive community, but causes them at the same time to distrust members of other groups. When the Jews first migrated to Europe, he went on to say, they came as outsiders and long remained strangers by reason of differences of race, religion, culture and occupations. They had to make their way as representatives of one of the ancient eastern civilizations in the midst of a more primitive western culture. Anti-Semitism had its rise then in Europe as part of the general fear of and prejudice against strangers which permeated ancient and medieval society and is still with us in one form or another. The Jewish people arriving in Israel today from various points of the compass represent different levels of civilization, from the early patriarchal to the most sophisticated modern. The majority, however, are modern westerners, who are reversing the situation described by Dr. Ruppin, since they represent in the Eastern Mediterranean region, whose fortunes have declined so greatly since the Mongol invasions, the now materially more advanced civilization of the West. A question that exercises the minds of many Jewish and other thinkers is how this return and this re-establishment can be brought about without giving rise to epidemics of fear and race hatred in the new environment which might prove as destructive a force in the Middle East as anti-Semitism has been in Europe.

STRUGGLE FOR A HOMELAND

Civilized man has learned a good deal more today than was known a thousand years or even a hundred years ago about the deep and secret springs of human fear and about the most effective means of securing release from that fear, either for groups or for individuals. In this case there are factors which enable one to hope that the initial struggle to secure the establishment of a Jewish state, and the fears and the tensions which have inevitably accompanied that struggle, are not to be a permanent feature of the environment in which Israel finds itself. It was in the belief, indeed, that these fears and tensions could be removed, that the majority of governments represented in the United Nations General Assembly judged it to be neither an imprudent nor an unfriendly act toward any of the neighbouring peoples, to encourage the establishment of a Jewish national state in Palestine....

I do not myself think that this territory, preferred above all others by the Jewish people for the purpose of national regeneration, will necessarily prove to be inadequate for their national development. Even in the past, without the aid of modern scientific progress, the same land has supported a dense population in comfort, and we are assured by scientists and agronomists that it can do so again without threat to the territorial integrity or the economic and cultural self-determination of neighbouring peoples.

RELATIONS WITH ARAB NEIGHBOURS

This should remove the fears of Israel's neighbours, whose fears, and whose rights, of course, we should recognize. Moreover, the same principles of self-help and self-liberation which are valid for Jews who have endured persecution in Europe for centuries, but who come back to the Eastern Mediterranean bringing with them the skills and the outlook of the West--these same principles of self-help and self-liberation are valid also for the Arabs who have long endured other forms of oppression since their great civilization fell into decline at the time of the Mongol invasions, and who today suffer many consequent disabilities from which it is now their desire, indeed their determination, to escape. In the secure international society that we are struggling to create there must be recognition of the intensity of the desire of all peoples to develop along lines of their own choosing. There must also be a corresponding recognition of the need for mutual understanding and accommodation. So one welcomes the characteristic good sense behind the words of Mr. Sharett, the Foreign Minister of Israel, when he said to newspapermen in London last March; "It remains a cardinal principle of our foreign policy to seek integration in the region to which we belong, on the basis of mutual recognition and good neighbourliness, for the protection of the national interests of each state and for the advancement of the region's common interests".

I think I am right in saying that most of the delegates who voted in the United Nations General Assembly in November 1947 in favour of the resolution recommending the partition of Palestine, within the framework of economic union, did so because of an underlying feeling that it had been made necessary by the slaughter of Jews in Europe during the Second World War. This was a warning that it would be unwise to continue any longer an experiment tending toward bi-nationalism or a forced federalism in the whole of Palestine, since that experiment had already led to complete deadlock in Palestinian affairs. It seemed imperative, moreover, that after the annihilation of six million Jews in various countries in Europe, that arrangements should be made in at least one country in the world for the Jewish people to be definitely freed from

the limitations and the fears imposed by minority status. Only in Palestine were the Jews willing and able to undertake the heavy responsibility of establishing an independent Jewish state. It was not only Jews who were convinced that salvation lay in the principles of self-liberation and self-help. That concept had now gained a wider acceptance and we had to do something about it.

It was also, I think, the general belief of those who voted in the United Nations General Assembly in favour of the principle of creating an independent Jewish state that the Jews of Israel would one day be able to establish friendly relations with the Arab world, although time would obviously be required to achieve the necessary mutual adjustments. All men of good will must have been glad to note, therefore, that already, only four and a half years after the adoption of the partition resolution, there are indications that areas of wider agreement may soon be established between Israel and its immediate neighbours. These may be mere straws, but I hope that they show from which quarter the currents of air are blowing.

CO-OPERATION BETWEEN JEWS AND ARABS

Co-operation between Arab Governments and the Government of Israel has taken place in the past month, spontaneously and as a matter of course in the face of a threatened plague of locusts. Fresh agreements have been reached within the past few weeks for the prevention and control of illegal crossing of Israel's borders in either direction. Similarly, when ships of Israel or Lebanon are in distress, each may now take refuge in the territorial waters of the other state and then proceed on their way without hindrance. These agreements were reached without the publicity that seems always to accompany bad news and represent the sort of quiet adjustment to a changed situation out of which stable conditions often grow.

Speculation, as you know, has been rife within recent months regarding the possibility of a negotiated settlement of political problems between Israel and its neighbours. Of this speculation Mr. Sharett has said: "The mere appearance of such reports in an atmosphere charged with hostility is a hopeful omen".

There can be no doubt that Israel requires a background of peace against which to work out to its fullest development the national life of its own people. The Prime Minister of Israel has often said so, and emphatically. There is also no doubt that the Arab position, as defined during the last Session of the United Nations General Assembly, represented, as Arab spokesmen themselves have pointed out, the concession of much which they had refused to concede before, particularly when they offered to sit down with representatives of Israel to discuss a peace settlement if, as a starting-point for the discussions, Israel

would reconsider certain past recommendations of the United Nations General Assembly, some of which the Arabs had formerly rejected out of hand.

This may be a point of departure from the bitterness and conflict of the recent past. It shows that the position in the Middle East is not at least a static one. Mr. Ben Gurion expressed the opinion in an address to a group of visitors from the United States last March that elements in the Arab countries do indeed wish to conclude peace with Israel, although internal political difficulties make this still impossible. About the same time, on March 19, the editors of The Times in London, said: "...if only a handful of Arab statesmen are beginning to see that the adjustment of relations between the Arab world and the Western powers and the making of peace between the Arab states and Israel are two parts of the same problem of Middle Eastern defence, there is some hope of advance".

We in Canada who are anxious for real peace to come in the Middle East might perhaps help in a small way to create a climate within which mutual adjustments would gradually become easier if we avoided, in our speaking and writing, any easy generalizations about Arab leaders and the Arab people which may prove on closer examination or in the light of a future rapprochement to have been unrealistic. It is easier, of course, to repeat a generalization than to examine its authenticity, but a constant effort to be accurate - that is to say, to understand human beings who are different from ourselves - is likely to pay dividends out of all proportion to the effort itself. While in Israel Jewish leaders, civilized men and women, are trying in the midst of overwhelming difficulties to give the civilized answer to racial persecution, we should ourselves do what we can to aid their effort....

If, however, we want badly enough to reach the goal of mutual understanding we can start from any point. The main thing is the civilized wish. With that wish, converted into a resolve on both sides, a way out of the bog of fear and misunderstanding between Israel and its neighbours can be found. This would make infinitely easier the work of those pioneers who are building the new Jewish nation, and those whose untimely and tragic death we lament tonight would rest more peacefully. So we are glad that the outlook here is not as dark as it was and that there are grounds for hope of better things.

There is more than hope, however, there is the fact of proud achievement in what the people of Israel have already done to create their own national home and assure their own national destiny. Here they are in no bog, but marching steadily forward on firm ground. The temple of liberty and national respect has been restored. The forests of freedom have in

sad truth been nourished by the blood of millions; but they grow and they spread. And to symbolize this new life that has emerged from cruelty and oppression, the flag of Israel waves proudly now among the banners of the United Nations.

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FISHERIES EXPERTS MEET: Members of the International Pacific Salmon Fisheries Commission held a business meeting in Ottawa on June 2 to review current problems in connection with their responsibilities in restoring and protecting the valuable sockeye runs of the Fraser River system in British Columbia. The Commission members met with the Minister of Fisheries, Mr. R.W. Mayhew, Deputy Minister of Fisheries Steward Bates, and senior officers of the Department.

Of particular interest was the report by Loyd A. Royal, Director of Investigations, who reviewed the research programme undertaken by the Commission to enable it to restore the productivity of the Fraser River waters and to recommend effective regulatory measures. The Commission also heard reports by Roy I. Jackson, Assistant Director.

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COST-OF-LIVING INDEX DOWN: The Dominion Bureau of Statistics cost-of-living index declined 2.0 points or 1.1 per cent between April 1 and May 1 to reach 186.7. This placed the index below the level of July 1951, and marked the largest monthly percentage decline since January, 1943.

Lower food prices were again largely responsible for the change, and the drop in this series from 240.2 to 235.3 accounted for three-fourths of the decline in the total index. Among food items showing large declines were: butter, beef, bacon, veal, lard, shortening, and oranges. Fresh vegetables as a group were higher, led by a further substantial advance in potatoes.

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CANADIAN GUNS FOR ITALY: Canada is shipping 72; 25-pounder guns with full equipment and 144 artillery trailers to Italy early this month under the NATO mutual aid plan, it was announced on June 2 by the Minister of National Defence, Mr. Claxton.

The shipment, to be loaded in Montreal, will be sent to the Port of Naples.

In April, Canada sent shipments of arms and military equipment to France, Italy, and the Netherlands.

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ICAO ASSEMBLY IN MONTREAL: The Sixth Session of the Assembly of the International Civil Aviation Organization, meeting in Montreal recently, elected John Paul Barringer of the United States as its President.



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WEEK'S EVENTS IN REVIEW

CANADA'S NOTE TO THE U.S.: The Secretary of State for External Affairs, Mr. L.B. Pearson, made a statement in the House of Commons on May 26 on the use of a company of Canadian troops at Koje Island prisoners-of-war camp and read a note which had been presented to the State Department at Washington. He spoke as follows:

"I should like to make a statement in regard to reports that Canadian troops have been moved to Koje Island, in Korea, to participate in the guarding of communist prisoners of war on that island.

"On the afternoon of Thursday, May 22, the chief of the general staff received a telegram from the officer commanding 25th Canadian Infantry Brigade, Korea, to the effect that he had received an order from the First (Commonwealth) Division issued in accordance with a request from the United Nations command to post a company from the Brigade to guard duty at the prisoners-of-war camp on Koje Island, and that he was accordingly assigning a company from the Royal Canadian Regiment for this duty.

"On receipt of this message an inquiry regarding the order was immediately made in Washington. The inquiry confirmed that the order had been given, and that orders had also been given for the posting of units from cer-

tain other national forces under the United Nations command to similar duty. It also appeared that the movement of the Canadian troops in question was under way.

"The Government feels that it is essential that the Canadian policy in respect of the breaking up of the Canadian Brigade for miscellaneous duties in Korea should be made clear. A note has accordingly been presented to the State Department in Washington.

"The following is the text of this note:

"The Canadian Government recognizes the importance of re-establishing and maintaining effective control over communist prisoners of war captured in Korean operations. The Canadian Government also recognizes that custody of prisoners of war is a military responsibility which should be performed in accordance with military requirements.

"It has, however, been a long established policy of the Canadian Government that Canadian forces dispatched abroad for military operations should remain under Canadian command and control and that, except in the event of a military emergency which does not permit of time for consultation, no part of these forces should be detached therefrom except after consultation and with the agreement of the Canadian Government.

PROPERTY IN JAPAN: The Department of External Affairs announced on May 26 that under Article 15(a) of the Treaty of Peace with Japan, which came into force on April 28, Japan will return tangible and intangible property of nationals of Allied Powers which was within Japan at any time between December 7, 1941 and September 2, 1945. The Treaty also requires the Japanese Government to pay compensation in cases where such property was in Japan on December 7, 1941, and cannot be returned or has been damaged as a result of the war.

Claimants seeking restitution of identifiable property should give notice of their claims to the Department of External Affairs, Ottawa, not later than September 28, 1952, as these claims for restitution must be submitted to the Japanese Government through the Canadian Government not later than December 28, 1952.

Claims for compensation for property destroyed, lost or damaged should be directed to the Department of the Secretary of State, War Claims Branch, 7 O'Connor Street, Ottawa, As claims for compensation for property destroyed, lost or damaged in Japan must be directed through the Canadian Government not later than October 28, 1953, claimants are advised to give notice of their claims not later than April 28, 1953.

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ESKIMO WELFARE: A continuing committee representative of the main organizations interested in the Eskimo with Major General H.A. Young, Commissioner of the Northwest Territories as chairman will study the reports and suggestions presented to the recent two-day General Conference on Eskimo affairs.

The Conference which was opened on May 19, by the Minister of Resources and Development, Mr. Robert H. Winters, was generally in agreement that present measures for the care and advancement of the Eskimos were sound but efforts should be unified and intensified wherever possible. Eskimos should be encouraged and helped to live off the land and to follow their traditional way of life. Surveys had shown that where natives subsisted on the produce of the land they were less subject to disease.

The deterioration of the health and morale of the Eskimos was one of the matters of chief concern to the Conference.

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MCKEE TROPHY WINNER: Mr. Phillip C. Garratt of Toronto, Manager of the De Havilland Aircraft of Canada Ltd., and an outstanding figure in Canadian flying and aircraft manufacture for many years, has been awarded the McKee Trans-Canada Trophy for 1951. The McKee trophy, which dates back to 1927, is presented annually for meritorious service in the advancement of Canadian aviation.

EXPORTS UP, IMPORTS DOWN: A summary of foreign trade figures for April released by the Dominion Bureau of Statistics shows another increase in the value of Canada's total domestic exports to \$346,800,000 from \$295,200,000 in April last year, and a decrease in estimated total imports to \$325,200,000 from \$393,000,000.

Domestic exports to the United States declined slightly in value to \$181,100,000 from \$183,200,000, and to the United Kingdom rose to \$71,000,000 from \$41,700,000. Estimated imports from the United States decreased to \$247,500,000 from \$278,300,000, and from the United Kingdom to \$28,300,000 from \$48,900,000.

The April import figures are only preliminary and subject to revision; final and detailed figures of imports will not be available for about three weeks.

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FOREST INVENTORIES: The federal Government contributed a total of \$820,945 to seven Provincial Governments for forest inventory and reforestation programmes during the fiscal year ended March 31, 1952, according to the Minister of Resources and Development, Mr. Robert H. Winters. These contributions are made in accordance with an arrangement announced in the House of Commons in May, 1951.

The Provincial Governments of New Brunswick, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia have signed Agreements designed to help them complete their forest inventories.

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CANADIAN BALLET FESTIVAL: The Winnipeg Ballet once again emerged as the outstanding ballet group taking part at the fourth annual Canadian Ballet Festival held all last week in Toronto.

Newspaper reports on the Festival all elevated the Winnipeg company to star position. The company gave four performances, opening the Festival May 5 with The Shooting of Dan McGrew, the ballet which also closed the festival last Saturday evening. Concerto and Ballet Premier were presented at the Wednesday and Friday evening shows, respectively. (Winnipeg Free Press, May 17.)

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27th IN BARRACKS: With six weeks of rigorous round the clock training behind them, troops of Canada's 27th Infantry Brigade Group are back in their permanent West German barracks, the Department of National Defence announced on May 22

The move back to Hanover, Hohn and Hameln came immediately after the windup of two large scale field exercises. These exercises, known as "Red Patch One" and "Red Patch Two" saw battle deployments of the entire Canadian NATO force.

GOOD PROGRESS IN ST. LAWRENCE DISCUSSIONS

MR. CHEVRIER'S STATEMENT: Remarkably good progress has been made in discussions between Canada and the United States on St. Lawrence River development, the Minister of Transport, Mr. Lionel Chevrier, told the House of Commons on May 23 during discussion of his Department's estimates.

Mr. Chevrier made his brief statement on the subject in reply to questions by Mr. Howard C. Green (PC-Vancouver-Quadra). The discussion proceeded as follows after Mr. Green had asked what steps had been taken to set up the St. Lawrence Seaway Authority:

Mr. Chevrier: No steps have been taken to set up the Authority because it has been deemed advisable to wait for the formal application of the two Governments to the International Joint Commission before appointing the Authority.

SEAWAY PROGRESS

Mr. Green: I can find no other vote in the estimates which has any connection with the St. Lawrence Seaway Authority. I take it this is the only vote, and that would indicate that there is unlikely to be very much progress made during the present fiscal year with the St. Lawrence seaway plan. I hope I am wrong.

Mr. Chevrier: You are.

Mr. Green: Perhaps the Minister could give us some further information.

Mr. Chevrier: The fact that there is no other vote in these estimates concerning the St. Lawrence seaway is not at all an indication that there is likely to be no progress. On the contrary, I would say that progress has been remarkably good with our neighbours to the south. Following the appointment of the Board of Engineers, the representatives of the Province of Ontario and the Province of Quebec met and agreed upon the form of application which should go to the International Joint Commission.

Mr. Green: That is for the power project.

Mr. Chevrier: Yes. Later the Secretary of State for External Affairs and myself visited the White House at Washington where we were given the assurance by the President of the United States that he would join with us in an application to the International Joint Commission for the development of power, it being understood of course that Canada would undertake to develop the navigational facilities on its side of the line that we did undertake by a means of exchange of notes.

Then, a group or team composed of legal experts and engineers representing Canada went to Washington, and there discussed with an opposite team the details concerning the United States application to the International Joint Commission. Those talks have been going on extremely satisfactorily.

Now, there are still some difficult points to iron out, and the committees are negotiating with each other. I am unable to say when it will be possible to file the application with the Commission, but I trust it will be soon.

Mr. Green: The application to which the Minister refers is an application for permission to instal a power project as distinct from the seaway, is it not?

Mr. Chevrier: That is right.

Mr. Green: What progress has been made with regard to the seaway?

BORINGS UNDER WAY

Mr. Chevrier: With regard to the seaway, a large part of the work was in part completed under the original plans, and meanwhile the officers of the Department of Transport, the Special Projects Branch under Mr. Guy Lindsay, are proceeding with plans for the completion of the canal. There have been a number of sites considered for the location of the canal. Borings have been practically completed, or they have been started if they are not completed, to determine the nature of the soil in the vicinity of the area where locks will be constructed. If the International Joint Commission were, for instance, to decide tomorrow in favour of the joint power project, our plans are in such shape that they could be completed in a fairly short period of time to allow us to go ahead with the navigational features.

But I would remind the hon. member that the navigational features could not be completed or begun, for that matter, until the main dam at the Long Sault, the control dam at Iroquois and the power houses at Maple Grove were completed.

Mr. Green: Is it the intention of the Government to wait for some further time in the hope that the United States Government will agree to the joint seaway scheme?

Mr. Chevrier: I do not know that I can answer that except in this manner. We are negotiating with the United States now in the hope that it will be possible to iron out the details of the joint application to the international Joint Commission for the power project.

Mr. Green: There is no intention of Canada going it alone with regard to the seaway at the present time?

Mr. Chevrier: Oh, yes, that is what I have been saying all along. I hope I have not left any other impression. That is the object of launching the joint application with the United States to the International Joint Commission, that is for the development of power. We have given the assurance that if that is approved by the International Joint Commission we will proceed with the navigational features.

CANADA AND THE NEW GERMAN AGREEMENTS

MR. PEARSON'S STATEMENT: The Secretary of State for External Affairs, Mr. L.B. Pearson, made a statement in the House of Commons on May 27 on the signing of a series of agreements concerning Germany in Paris on May 26 and 27.

Asked by Mr. T.L. Stick (L --Trinity-Conception) how Canada was affected, Mr. Pearson replied as follows:

"I shall be glad to make a short statement on this important question of the signature of certain documents in Paris yesterday and today, and their effect upon this country.

"Today in Paris members of the North Atlantic Treaty Organization signed a protocol to extend the guarantees under Article 5 of the Treaty to the European Defence Community. The protocol was signed on behalf of Canada by Mr. A.D.P. Heeney, the Permanent Representative of Canada on the North Atlantic Council.

SECURITY GUARANTEE

"Hon. members will recall that on March 21, when reporting on the Lisbon meeting of the North Atlantic Council, I mentioned the approval in principle by the Council of this extension of security guarantees, which means in fact that, if the international undertakings are all ratified, our guarantees will cover the territory of the Federal Republic of Germany and the forces of the Federal Republic serving in the European army when in the area covered by the North Atlantic Treaty. The European Defence Community, for its part, gives a reciprocal guarantee to NATO. In other words, the European army, of which German forces will form a part, will be available for NATO defence in Western Europe and, in fact, will come under NATO command.

"The exchange of guarantees will be brought about by the ratification of a series of agreements. If hon. members will permit, I should like to mention the various related agreements, for although Canada is a party to only one of them, all these undertakings bear on the final result.

"The first group of documents are commonly known as the contractual arrangements, and

consist of agreements between the three occupying powers--France, the United Kingdom and the United States of America, on the one hand, and the Federal Republic of Germany, on the other. They are designated to replace the occupation statute because Russian tactics in the four power conferences have prevented agreement on a formal German Peace Treaty. The effect of these peace contracts, which were signed in Bonn yesterday, will be to restore West Germany's autonomy except in certain limited spheres which are reserved to the former occupying powers.

EUROPEAN DEFENCE TREATY

"Today the second series of documents, the European Defence Treaty and its related protocols, have been signed in Paris by representatives of France, Italy, Belgium, Luxembourg, The Netherlands, and the Federal Republic of Germany. The main purpose of this Treaty is to establish the European army, to which each of the signatory powers will contribute forces. Canada is not, Mr. Speaker, a party to the European Defence Treaty and our forces in Europe will not form part of the European army. One of the protocols to the European Defence Treaty, however, extends the security guarantees of the Treaty to the North Atlantic Treaty Organization, of which we are a member.

"Also today in Paris, as I have just indicated, NATO members have signed the NATO protocol to reciprocate this guarantee. This is the only document in this rather complex series of international undertakings to which Canada is formally a party. If hon. members are agreeable, I would suggest that the text of this protocol, which is quite short but which is very important, be printed as an appendix to Hansard. These international undertakings are, as I have said already, subject to ratification and in due course, before ratification by Canada, indeed I hope during the present session, Parliament will be given the opportunity for a full discussion of this NATO-European Defence Community protocol...."

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CANADA'S NOTE TO THE U.S. (Cont'd. from p.1)

The Canadian Government therefore views with concern the dispatch of a company of the 25th Infantry Brigade to Koje Island without prior consultation with the Canadian Government, and hopes that it may be possible to reunite this company with the rest of the Canadian Brigade as soon as possible. Meanwhile the Canadian forces concerned will, of course, carry out loyally the orders of the unified

command with respect to participation in guarding prisoners of war on Koje Island. The Canadian Government also wishes to be reassured that, if it is proposed in the future to detach any Canadian forces from Canadian command and control for military or other duties, this will be done only after consultation and with the consent of the Canadian Government, except in the event of a military emergency which does not permit of time for such consultation."

THE FALSE GOD OF COMMUNISM: The following is an extract from the address of the Secretary of State for External Affairs, Mr. L.B. Pearson, at Iroquois United Church, Iroquois, Ontario, on May 25, the 75th anniversary of the building of the church:

"Of all the false gods that have risen to plague us in the last 75 years, Communism is probably the most dangerous, and the most enticing. Dangerous, because its ideological content has been harnessed for purposes of world domination by a ruthless group of despots. Enticing, because while Marxist Communism is an evil thing which no person who believes in any moral basis for existence can justify or hold, it is not evil in all of its manifestations. Some of these are socially useful and can and do make an appeal to idealism and to our sense of social justice. Communism is, in short, a perversion of a creed that the Disciples might have taught and the perversion of the best is always the worst.

"I wish that we who are exposed to the menace of this doctrine, which now rules the lives, if not the hearts, of more than 800 millions of our fellow-men, would spend less time in merely condemning it and more in trying to learn about its underlying philosophy. If we did we would find in its insidious appeal a clue to much that has happened to the world since this church was built; to much that has happened to the individual mind and soul since they became exposed to the perplexing discoveries of physical science.

"The danger from Communism will never be removed by negative tactics alone, or by a merely superficial examination of it and the appeal it makes to many eager and idealistic minds; an appeal all the stronger because we often don't seem to be successful in opposing it with a Christian belief which has a message positive and compelling enough to command our devotion. We must find such a message that will combine our Christian morality with a crusading social programme and which will, at the same time, avoid reliance on the state as the only source of our well-being.

"There are men who are convinced they have found the answer to the evils, social and economic, of our days in Communism and there are others who cynically use this conviction for their own purposes. It is this social and economic reform aspect of Communism which is making headway among too many of the young leaders, the young intellectuals of Europe and Asia, who find in it the new god they think they can serve, discovering only too late, or not at all, that it is a god that must fail them because it has no moral or spiritual meaning, and only Karl Marx and Lenin and Stalin as its prophets...."

CROP ACREAGE OUTLOOK: Canadian farmers' plans for the 1952 crop season, based on their intentions at April 30, show relatively small changes from the 1951 acreages of the major grain crops, potatoes, and summerfallow. Indicated increases for spring wheat, barley and potatoes are almost exactly offset by reductions in acreages seeded to winter wheat and fall rye in the fall of 1951 together with anticipated decreases in the area to be seeded this spring to oats, spring rye and flaxseed. Acreages intended for summerfallow in the Prairie Provinces and for mixed grains are practically the same as last year.

The combined acreage of spring and winter wheat in Canada for harvest in 1952 is placed at 25,600,000 acres, an increase of 1.5 per cent over last year's 25,300,000.

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NATIONAL CONFERENCE ON APPRENTICESHIP: Only a microscopic percentage of the total number of production workers in three of the industrial groups most important to defence production are being trained by industry for skilled jobs, delegates to the first National Conference on Apprenticeship in Trades and Industry were told on May 19 at its opening session in Ottawa.

A recent survey by the Department of Labour indicated that many industries are not training nearly enough workers to fill the expanding requirements of our industrial growth and it seemed unlikely that even enough training is being done by industry at present to meet the normal replacement needs for skilled workers due to death and retirement.

* * * *

ARMS FOR ALLIES: Canada is sending 36, 25-pounder guns and 72 trailers for the guns, this month to Portugal under the NATO mutual aid plan, the Minister of National Defence, Mr. Brooke Claxton, announced on May 23. The shipment will sail from the port of Montreal to Lisbon.

In April, Canada sent arms and military equipment to France, Italy and the Netherlands.

* * * *

FOR GALLANTRY: Sgt. Richard George Buxton, 26, Melfort, Sask., and Victoria, B.C., one of 14 children and brother of seven others with service in the armed forces, has been given the immediate award of the Distinguished Conduct Medal for "gallantry and inspired leadership" with 1st Battalion, PPCLI, in Korea.

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21 TELEPHONES PER 100: At last count there were approximately 74,800,000 telephones in the world or about three for every 100 persons. Canada has 21 telephones for every 100 persons, a ratio exceeded only by the U.S. with 28 and Sweden with 24.

CULTURAL GRANTS: It is not probable that any appropriation will be asked from Parliament at this session for the purposes of the Dominion Drama Festival or the encouragement of the Canadian ballet or other kindred matters, the Prime Minister, Mr. St. Laurent, said in the House of Commons on May 28.

He made the statement in reply to a question by Mr. Stanley Knowles (CCF-Winnipeg North Centre) and added:

"It would not be possible to pick out any one or more of these community activities of a cultural nature until we have been able to look over the whole field, and recommend to Parliament general principles according to which encouragement might be extended in a financial way to some and refused to others who would not be within the general principles approved by Parliament.

Mr. Knowles: "We can anticipate further recommendations may come along in due course?"

Mr. St. Laurent: "Further recommendations certainly will come along in due course. There is a realization on the part of the Government that there is a wide interest throughout the whole of Canada in that field, but it was not found to be practicable to do anything at once in any other field than that of aid to the universities and institutions of higher learning, which was done on an experimental basis, as the hon. member realizes, by the appropriation asked from Parliament at the last session.

"With respect to the others, the Government has not only its own members but interdepartmental committees trying to devise the kind of formula which could be recommended to Parliament and which would make it possible then to recommend grants to certain activities and to refuse them to certain other activities for valid reasons set out in the statement of principles or formula that would have been recommended to and approved by Parliament."

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"NOOTKA" ON PATROL: A United Nations Naval Base in Japan - Protection of a group of small islands lying off enemy-held territory on the west coast of Korea was the principal assignment of the Canadian destroyer HMCS Nootka on a recent patrol.

The islands lie in the approaches to the city of Haeju and have been under constant threat of attack by red forces anxious to gain control of the seaway leading to the port.

Each night the Nootka took up a position just off the enemy coast and illuminated, with starshell and rockets, areas in which the Communists were suspected of assembling invasion forces.

The danger periods occurred when the extreme tides bared the sea bottom in some places, enabling the enemy to launch attacks on foot.

On one particular night the Nootka detected a comparatively large enemy force in the act of crossing the mud flats. The destroyer dis-

persed the Reds with fire from her four-inch guns.

The daylight hours were occupied largely with visiting the islands, conducting liaison with the local defenders and giving medical aid and food supplies to the inhabitants.

On several occasions recreation parties were landed from the destroyer and the officers and men were able to make friends among the Koreans and see at first hand how the villagers lived.

Shortly before leaving the Haeju area, the Nootka was informed there were some excellent bombardment targets in and around the city itself. Early one morning, therefore, she proceeded up the seaway toward Haeju, navigating in extremely confined areas between tidal flats. Preceding her was an American minesweeper, which swept the narrow channel leading to Haeju and then swept a large part of the harbour itself.

The Nootka stood by to cover the minesweeper with her guns. When the sweep was finished, the Canadian destroyer steamed into Haeju harbour and bombarded the predetermined targets. The enemy was caught completely by surprise, not a return shot being fired as the Nootka carried out her attack.

* * * *

CROP CONDITIONS: Seeding is nearing completion in practically all parts of the Prairie Provinces. Dry surface moisture conditions which had developed in many areas, particularly in southern Manitoba and southeastern Saskatchewan, have been partially relieved by precipitation varying from scattered showers to fairly general rains. With subsoil moisture supplies still adequate in nearly all districts the general outlook remains quite favourable. However, crops in southern Manitoba have already deteriorated as a result of drought and good rains are required here to promote recovery. Crops in most other areas are making rapid progress. Wild oat growth is unusually heavy this year. Scattered cutworm and wireworm infestations are also reported. With relatively few exceptions spring harvesting operations have been completed, the Bureau of Statistics reported on May 28.

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U.N. APPOINTMENT: Maj.-Gen R.O.G. Morton, CBE, 56, (retired) of Toronto and Montreal, has been appointed to The Collective Measures Committee Panel of Military Experts with United Nations, the Minister of National Defence, Mr. Claxton, announced on May 20.

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NEWFOUNDLAND MUSIC FESTIVAL: The First Annual Music Festival of Newfoundland, sponsored by the Kiwanis Club of St. John's, was officially opened in St. John's on May 6 by Lieutenant Governor Sir Leonard C. Outerbridge.



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WEEK'S EVENTS IN REVIEW

NATIONAL LIBRARY PLAN: First steps towards the creation of a National Library of Canada were taken in the House of Commons on May 20 when unanimous approval was given to first reading of the Prime Minister's Bill to provide for its establishment.

The move will implement another of the recommendations of the Royal Commission on the Development of the Arts, Letters and Sciences -- the Massey Commission. The Massey Report, the Prime Minister, Mr. Louis S. St. Laurent, recalled, recommended that the National Library should secure as complete a collection as possible of books published in Canada, books published by Canadians and books on Canadian themes, all to the end that it might be the most comprehensive collection of books in the world relating to Canada.

"The bill will give ample authority for the organization of a full-fledged National Library," said the Prime Minister in outlining the plan. "Of course this is not something that is going to be realized overnight. It may be that under existing conditions some time must necessarily pass before the project is well advanced in implementation. In the first place, defence requirements make the immediate construction of a new building impracticable for the time being and a National Library cannot function with maximum benefit to the community without suitable quarters.

"In the second place a great amount of cataloguing of books and other preliminary work must be done before the National Library itself can begin to lend books, to give an adequate reference service to inquirers and perform other functions of a public library. It is this essential preliminary work which the Government is proposing should be pushed forward immediately, in the hope that the day when a suitable building can be erected will not be too far distant."

Speaking on the character of the proposed Library, Mr. St. Laurent said:

"In making its plans for the National Library the Government has assumed that there will be the closest possible co-operation between the new Library, the Library of Parliament the libraries of government departments and agencies, and also between the National Library and many of the public libraries throughout the country. We want to reduce to a minimum unnecessary duplication. For example, there is no thought of building up new scientific collections that would rival or duplicate those already in the library of the National Research Council. Those books will be included, however, in the general catalogue, and on proper occasions they will be made available through the services of the National Library to students who may require to consult them.

(Continued on P. 6)

CANADA-U.S. RADIO CONVENTION: The Department of External Affairs announced on May 16 that on May 15 the Ambassador of Canada to the United States, Mr. Hume Wrong, and the Secretary of State of the United States, Mr. Dean Acheson, exchanged the instruments of ratification concerning the convention between Canada and the United States, signed at Ottawa on February 8, 1951, on the operation by citizens of either country of certain radio equipment or stations in the other country. By this act the convention was brought into force.

The convention is designed to eliminate certain difficulties which have arisen in recent years because the citizens of each country who operate certain types of radio equipment in that country have been precluded by the laws of the other country from operating similar equipment in the other country.

Three classes of persons will derive direct benefit from the provisions of the convention. Pilots who are qualified as radio operators in one of the countries will be permitted to operate the transmitters installed in civilian aircraft of the other country's registry. Operators of certain mobile radio transmitters installed in vehicles used for public service or for commercial purposes in border areas, and individuals who have radio telephone installations in their cars, will be able to obtain permission to use such equipment while in the territory of the other country. Amateur wireless operators will be permitted, subject to certain conditions, to use their wireless sets while visiting the other country.

It is provided in the convention that it shall remain in force for a period of 5 years from the day of the exchange of instruments of ratification and, subject to the right of either government to give a 6 month written notice of termination, indefinitely after that period.

The convention may be particularly helpful in facilitating co-operation between Canada and the United States in connection with civil defence activities.

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FARM INCOME \$2,221,200,000: Net income of Canadian farmers from farming operations soared to an all-time high total of \$2,221,200,000 in 1951, according to preliminary estimates by the Bureau of Statistics. This was 53 per cent above the revised estimate of \$1,451,700,000 for 1950, and almost one-third larger than the previous high of \$1,681,600,000 for 1948.

The large increase over 1950 was the net result of a sharp rise of 32 per cent in gross farm income to \$3,608,600,000 from \$2,733,800,000, and a lesser increase of eight per cent in farm operating expenses, including depreciation charges, to \$1,397,700,000 from \$1,295,950,000. Cash income from the sale of farm products climbed to a new peak total of \$2,825,511,000 from \$2,219,642,000, and income in kind rose to \$429,406,000 from \$383,478,000.

Value of inventory changes advanced to \$353,664,000 from \$130,729,000, and supplementary payments fell to \$10,356,000 as against \$13,806,000.

Farm net income in 1951 was higher in all provinces, the greatest gains both on a percentage basis and in absolute terms occurring in Saskatchewan. Ontario led the provinces in total dollar value at \$578,500,000 as against \$459,600,000 in 1950, followed by Saskatchewan at \$564,400,000 against \$265,200,000, and Alberta \$411,100,000 against \$236,400,000.

Net income for Quebec was \$337,600,000 against \$252,000,000, Manitoba \$182,400,000 against \$126,300,000, British Columbia \$64,300,000 against \$42,200,000, New Brunswick \$37,600,000 against \$33,500,000, Nova Scotia \$27,700,000 against \$23,600,000, and Prince Edward Island \$17,600,000 against \$12,900,000.

Contributing to the high level of cash receipts were very large grain participation and adjustment payments made on previous years' western grain crops.

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RCAF SQUADRONS TO FRANCE: The Minister of National Defence, Mr. Brooke Claxton, announced in the House of Commons on May 14 that Canadian fighter squadrons are expected to be based in France this fall.

He said:

"I would like to announce that negotiations between the French and Canadian Governments concerning the construction and the use of airfields in France by units of the Royal Canadian Air Force have recently been concluded. As a result of these negotiations, which have been carried out within the framework of the North Atlantic treaty, an airfield has been placed at the disposal of the Royal Canadian Air Force in the region of Metz. Construction of additional facilities is proceeding and tactical squadrons of the Royal Canadian Air Force will, I expect, occupy this airfield next fall. These squadrons will form part of the North Atlantic tactical air forces of central Europe."

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WHEAT EXPORTS UP 67 P.C.: Canadian exports of wheat as grain in the first eight months of the current crop year totalled 169,800,000 bushels, approximately 67 per cent more than the exports of 101,400,000 bushels during the August-March period of 1950-51. Shipments were made to 37 countries in the period.

The United Kingdom bought the largest share -- some 55,600,000 bushels, or one-third of all the Canadian wheat exported. About 24,200,000 bushels went to the United States, 11,700,000 to Belgium, 10,800,000 to Japan, 7,300,000 to India, 7,300,000 to the Netherlands, 6,300,000 to Germany, 5,800,000 to Italy, 5,600,000 to Switzerland, and 5,100,000 to Ireland.

ANOTHER RECORD TRADE YEAR FORECAST

MR. HOWE'S REPORT: In reporting to the House of Commons on May 15 on Canada's trade position, the Minister of Trade and Commerce, Mr. C.D. Howe, said that developments so far pointed "to another record year for Canadian trade and one in which exports and imports may be in better over-all balance."

The Minister spoke, in part, as follows:

"The activities of the Department of Trade and Commerce during the last year were largely conditioned by the changes in the economic situation we have experienced. I reviewed economic developments in Canada when I participated in the debate on the Speech from the Throne on March 14, 1952. I said then:

'The demand for Canadian output should, in general, be well sustained by the continuing high level of capital investment, by export demand for most of our staple products and by defence preparations.'

"I observed that there was 'no reason to anticipate either inflation or depression' in 1952.

SUPPLY SITUATION

"Events since then have brought further evidence supporting this view. The supply situation with respect to a number of strategic materials has improved. Inflationary pressures have subsided. The cost of living index turned down in February of this year, recording in the last three months a decline of about three points. The cost of living is now back to about where it was last August. In other words, during the last three months consumer prices have been declining at twice the rate they were rising in the preceding six months. A further substantial drop in the cost of living index is in sight for the month of May.

"The latest data we have show that employment in industry is up 2 per cent. Payrolls are running now about 15 per cent above last year. In spite of weaknesses in some sectors, retail sales have been higher by 3 per cent in the first quarter of this year as compared with the same period last year.

"As to investment, we are continuing with our record programme of some \$5 billion, or almost 10 per cent higher in value terms than last year's capital expenditures. Construction activity is particularly strong in the defence, industrial, public utility, and resources development sectors.

"Even in such fields as housing where activity was notably lower towards the end of last year, some improvement is indicated. For example, starts in cities and towns with population of 5,000 and over in March and April, 1952, reached about the same level as in corresponding months a year earlier. The best information we can obtain on the housing programme suggests that starts this year may be a little lower than in the year 1951 as a whole but higher than the low level experienced towards the end of last year and at the beginning of this year.

"In the trade field, recent events have also borne out my earlier remarks made to this House. Hon. members will recall that I took issue with the view expressed by opposition members that Canada was losing the British market. Trade figures for the first quarter of this year show that exports to the United Kingdom were 37 per cent higher than in the corresponding period of 1951. Exports to other sterling area countries were up 54 per cent. Our exports to Europe and Latin America have climbed even more notably. Our sales to the United States are up slightly.

FAVOURABLE BALANCE

"One other interesting aspect of our trade picture is that for the first quarter of this year Canada has had a favourable balance of commodity trade while a year ago we were running a deficit. Altogether developments so far point to another record year for Canadian trade and one in which exports and imports may be in better over-all balance.

"The trends which were evident in both our external trade and our domestic economy suggest that Canada is emerging from a period of initial adjustment to a defence programme to one where supply and demand are in better balance, with a consequent easing of the pressure on prices. In the home market underlying demand remains strong, bolstered by a vigorous resources and industrial development programme and a rising level of defence expenditures. As for our customers abroad, there are indications that even where currency difficulties exist, many of Canada's basic export commodities are too urgently needed to be dispensed with. The outlook therefore is for a further rise in the level of employment, income, and output...."

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UNIVERSITY ENROLMENT DOWN: Students of university grade in full-time attendance in Canadian universities and colleges at the end of 1951 totalled 60,381, a decrease of about six

per cent from the preceding year's total of 64,359. This decrease may be attributed largely to the near-completion of the war veterans' assistance programme.

EDUCATION CONFERENCE: Delegates from all provinces attended the fourth Dominion-Provincial Conference on education statistics which was formally opened May 14 in Ottawa by Mr. Herbert Marshall, Dominion Statistician. Representatives of the Canadian Education Association, and the Canadian Teachers' Federation were also present. Meeting for three days, the Conference was under the chairmanship of Mr. Marshall.

In general, the purpose of the Conference was to consider the education statistics collected by the Bureau in the light of changing needs; to expedite the collection and processing of the data so that more current information can be made available; and to consider several new fields of education statistics. The Conference also explored ways and means of further improving the interprovincial comparability of education statistics.

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CHILD POPULATION RISE: Both proportionately and numerically, Canada's population under ten years old, and particularly under five, was much larger in 1951 than in 1941, according to the Dominion Bureau of Statistics.

Children under five totalled 1,722,109 or 12.3 per cent of the total population of 14,009,429 at June 1 last year, while children in the age group five to nine years accounted for 1,397,825 or almost 10 per cent of the total population. These figures compare with proportions of 9.1 per cent for each group in 1941. Thus the population under 10 represented over 22 per cent of the population in 1951 as compared to slightly over 18 per cent ten years earlier.

There were 670,255 more children under five in Canada in 1951 than in 1941, an increase of approximately 63 per cent.

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NEW YORK DELEGATION: The Department of External Affairs announced on May 19 that Mr. Jean Lesage, M.P., Parliamentary Assistant to the Secretary of State for External Affairs, will head the Canadian Delegation to the Fourteenth Session of the United Nations Economic and Social Council which will meet in New York on May 20.

Alternate Representatives will be Mr. D.M. Johnson, Permanent Canadian Representative at the United Nations, New York, and Dr. F.G. Robertson, M.P., for Northumberland. Mr. James Sinclair, M.P., Parliamentary Assistant to the Minister of Finance, and Dr. G.F. Davidson, Deputy Minister of Welfare, will also attend the session for short periods as alternate representatives.

Advisers from the Department of External Affairs and the Department of Finance will accompany the Delegation.

PRAIRIE CROP REPORT: Generally favourable weather has permitted rapid progress of spring and threshing throughout the Prairie Provinces. In the southern sections of all three provinces wheat seeding is practically completed and a large proportion of the coarse grains has been sown. Progress in northern areas is variable but in general seeding is well advanced for this time of year, the Dominion Bureau of Statistics reported on May 14.

Spring precipitation remained considerably below normal throughout the three provinces and rain was urgently needed in southern parts of Manitoba.

Spring threshing was nearing completion with the exception of the Swan River Valley of Manitoba, scattered areas in Saskatchewan, in the Peace River area and southwestern and west-central Alberta.

* * * *

NATIONAL LIBRARY: The Prime Minister, Mr. Louis S. St. Laurent, has placed on the Order Paper of the House of Commons notice of a resolution for introduction of a bill to establish a National Library, equip it with a staff and furnish it with funds for the purchase of books.

The establishment of a National Library was one of the recommendations of the Royal Commission on National Development in the Arts, Letters and Sciences -- the Massey Commission -- last year.

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FIELD CROP AREA INCREASE: Total area of field crops in Canada in 1951 was more than 10 per cent greater than in 1941, increases in the Prairie Provinces and British Columbia heavily outweighing decreases in Ontario, Quebec and the three Maritime Provinces, and enlarged acreages of wheat and barley nearly equalling the increase, according to final figures of the 1951 Census of Agriculture.

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LABOUR FORCE RISE: Canada's total civilian non-institutional labour force rose moderately in the week ending March 1 this year as compared with a year earlier, according to the Bureau's quarterly survey. Number with jobs as well as the number without jobs and seeking work rose slightly. At the survey date the civilian non-institutional labour force totalled 5,179,000 as compared with 5,114,000 for the week ending March 3, 1951.

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AVENGER AIRCRAFT: The first of 42 Avenger aircraft recently purchased from the United States Government to sustain anti-submarine squadrons of the Royal Canadian Navy will be delivered to HMCS Shearwater, the naval air station near Dartmouth, N.S., Friday, May 16, it has been announced at Naval Headquarters.

FIRST QUARTER EXPORTS \$1,000,000,000

CREDIT BALANCE: Canada's balance on foreign commodity trade with all countries continued on the credit side of the ledger in March when total exports exceeded imports by \$31,500,000 as compared with an import surplus of \$48,500,000 in the corresponding month last year. With credit balances of \$21,000,000 in January, and \$31,400,000 in February, the cumulative export surplus in the first three months of this year climbed to \$83,900,000 as against an import surplus of \$124,200,000 in the same period of 1951.

With a further substantial gain of 18 per cent in volume and a rise of almost four per cent in average price, Canada's domestic exports to all countries in March rose nearly 22 per cent in value to \$353,800,000 from \$290,200,000 a year earlier. Foreign exports were also up in value at \$4,700,000 as against \$3,800,000. In contrast, the volume of imports rose only 2.4 per cent over a year earlier, while import prices moved down 7.5 per cent in the year, resulting in a decline in the value of total imports to \$327,000,000 from \$342,500,000.

In the first three months of this year, domestic exports to all countries rose in value to \$987,200,000 from \$809,200,000, and foreign exports to \$12,800,000 as against \$10,400,000, to bring total exports to the record value for the first quarter of \$1,000,000,000, up 22 per cent from last year's aggregate of \$819,600,000. Aggregate value of imports -- up sharply last year -- fell off three per cent to \$916,100,000 from \$943,900,000.

Trade with the United States in March produced an increased import surplus of \$64,700,000 as compared with \$52,400,000, bringing the

total deficit for the first three months of the year to \$142,300,000 as against \$139,500,000 a year earlier. Domestic exports to the United States in March were down slightly in value to \$185,200,000 from \$190,200,000, but up in the quarter to \$541,800,000 from \$529,600,000, while foreign exports were worth \$3,500,000 in March against \$3,100,000, and \$9,800,000 in the quarter against \$9,000,000. The month's imports rose to \$253,500,000 from \$245,700,000, and the quarter's to \$694,000,000 from \$678,100,000.

Export surplus in trade with the United Kingdom climbed sharply in March to \$45,500,000 from \$9,300,000 a year earlier, raising the cumulative total for the first three months of this year to \$87,400,000 -- nearly four times as large as last year's corresponding total of \$21,400,000. Domestic exports to the United Kingdom in March were up sharply in value to \$67,800,000 as compared with \$39,700,000 a year ago, and in the first quarter to \$154,600,000 as compared with \$113,300,000. Foreign exports in the month totalled \$400,000 against \$100,000, and in the quarter were worth \$1,000,000 against \$300,000. On the other hand, imports from the United Kingdom declined in value in March to \$22,600,000 as compared with \$30,400,000, and in the quarter to \$68,200,000 from \$92,100,000.

There were large export surpluses in trade with all other Commonwealth countries both in March and the first quarter in contrast to import surpluses a year earlier. There was also a credit balance with Latin American countries in the first quarter compared with a deficit last year, and a much larger credit balance with European countries as a group.

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LIFT CREDIT RESTRAINT: The Bank of Canada has expressed the view to the chartered banks that with one exception the special policies of credit restraint which have been in effect during the past 15 months could now be suspended. The exception relates to bank loans secured by corporation stocks, where present arrangements calling for at least 50% margin remain unchanged.

In February 1951, at the suggestion of the Bank of Canada the banks had agreed to tighten lending practices wherever possible in order to avoid a further increase in the aggregate volume of banks' Canadian loans and holdings of non-Government securities. This agreement had been designed to deal with a situation where bank loans had been increasing rapidly and where aggregate demands for bank credit were clearly excessive.

In January 1952, the Bank of Canada and the chartered banks had agreed that it was desirable to continue a policy of restraint in the granting of bank credit.

At the time of the latter discussions, the figures showed that total bank loans and non-Government investments at the end of December were no higher than they had been when the agreement on credit policy was reached in February 1951, apart from temporary advances of a seasonal character to finance purchase of grain and Canada Savings Bonds. Current figures indicate that the total is now somewhat below the December 31 level. The present situation is such that Bank of Canada feels that normal central bank action to influence the level of total bank credit no longer needs to be supplemented by the special arrangement with the banks.

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TRANS-CANADA HIGHWAY: The Province of Nova Scotia has signed the Trans-Canada Highway Agreement with the federal Government, it was announced on May 16.

(Continued from P.1)

NATIONAL LIBRARY PLAN

"One basic objective of any National Library, I think, is to become the most comprehensive library in the world on its own country. It is proposed that Canada's National Library should try to reach that objective, but that in working towards that end it should co-operate with other government libraries, and with a large number of other institutions throughout Canada. The bill to be introduced will contain a deposit law. The Massey Report recommends that the National Library should secure as complete a collection as possible of books published in Canada, books published by Canadians and of books on Canadian themes, all to the end that it might be the most comprehensive collection of books in the world relating to Canada."

A moment later he spoke as follows on a union catalogue:

"I believe that one of the most important duties of the proposed National Library will be the preparation of a union catalogue. As this name implies, it is a catalogue in which the individual catalogues of many libraries will be combined in a single alphabetical system. Work on such a programme has been in progress in Ottawa for the last two years.

A COMPLETE KEY

"The catalogues of most of the libraries in Ottawa are now included and those of half a dozen important collections elsewhere have been either completely secured or partially secured. The ultimate aim is to build up a complete key to the contents of every important collection of books in Canada. With such a catalogue in its possession the National Library will be able to tell anyone in the matter of a few minutes whether a copy of any particular book is to be found in Canada, and if one exists, the name of the library in which it is located. It is hoped that there will be organized a service whereby the National Library will be able to have that book sent here so that it may be available to the inquirer.

"The National Library would have the task of preparing and maintaining a national bibliography. By that is meant a complete and systematic listing of all new publications issued in Canada, written by Canadians or relating in any important way to this country. Work on this project has been in progress since the beginning of 1951, and the bibliography is already being published monthly under the title of *Canadiana*...

"As to the operating policy, it may be well to note that ultimately the new National Library is intended to serve both the Government and the public. The value to the Government is obvious enough. But the Library is also planned to serve any citizen of Canada who has need of the information available in the National Library itself, or in one of the libraries throughout Canada represented in the

union catalogue. Service to the public will normally be given through another library..."

Mr. St. Laurent said that a site for the Library had not yet been selected, but recalled that the report suggests that an appropriate site might be on the bank of the Ottawa river, at the end of Bank street, close to the Parliament Buildings. It was the intention to make the Dominion Archivist the National Librarian.

All party leaders supported the National Library proposal.

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NORTH SEA NATO EXERCISE: The Royal Canadian Navy's aircraft carrier, HMCS Magnificent, will sail from Halifax on June 2 to take part in Exercise Castinets in company with warships of other North Atlantic Treaty Organization countries in United Kingdom waters.

This was announced at Naval Headquarters on May 20 concurrently with announcement of the NATO exercises by the British Admiralty.

The Magnificent has been carrying out working up exercises in the Bermuda area in company with the cruiser Quebec. On board are aircraft of 871 and 881 Squadrons of the 30th Carrier Group.

HMCS Haida, Tribal class destroyer, will accompany the Magnificent to the United Kingdom and then return to Halifax. The air squadrons now training with the carrier will remain with her for Castinets.

Later plans for the Magnificent include exercises in the Mediterranean before her return to Canada in October.

Castinets is a major naval and maritime air exercise involving over 250 ships and some 400 aircraft of NATO countries.

Air or sea forces or both are being contributed by Belgium, The Netherlands, Canada, Norway, Denmark, Portugal, France, the United Kingdom and the United States. The U.K. forces include a large detachment of the Home Fleet.

Castinets is intended to exercise the wartime command organization of the Channel and Home Commands and their approaches and to exercise Allied maritime forces in war operations. Emphasis is being placed on protection of trade and in mining countermeasures.

The exercise will range over large areas of the North Sea, the Channel and adjacent areas and will last for many days with all forces engaged operating under wartime conditions.

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NAVAL TRAINING CRUISES: Three training cruises to Europe, two to California and one to Alaska are in prospect this summer for cadets of the University Naval Training Divisions, Naval Headquarters has announced. Approximately 1,000 university students are expected to take summer training with the Navy.



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WEEK'S EVENTS IN REVIEW

"GERM WARFARE" CHARGES: The Secretary of State for External Affairs, Mr. L.B. Pearson, made a statement in the House of Commons on May 12 in which he denied communist charges that the United Nations forces in Korea, which include Canadians, have engaged in germ warfare.

Mr. Pearson spoke, in part, as follows, in answer to a question by Mr. T.H. Goode (L--Burnaby-Richmond):

"The charge that the United Nations forces in Korea have engaged in germ warfare is so false and so fantastic that it would normally be unwise to dignify it by official denials. Nevertheless, it has become such a central feature of Soviet propaganda, and has been repeated so violently and so often for the transparent purpose of deceiving persons who may not be aware of the Soviet purpose behind the charge, that I think some statement should be made about it.

"The accusation of germ warfare is usually aimed specifically at the United States. It has been emphatically and indignantly denied in Washington and by the unified command in Korea. Within the last few days Mr. Acheson has repeated that denial, emphasizing that the trumped-up evidence to support--and I quote him--

'--these utterly false charges constitutes another example of the incredible length to which Communists will go to propagate the big lie.'

"Canadian members of the communist party, who, of course, follow automatically every twist and turn of Soviet policy no matter where it leads them, and their fellow travellers, who do not always realize that they are travelling under orders from the Kremlin--these people prefer to accept this trumped-up evidence rather than the official denials of our friends in the United States. The charge, Mr. Speaker, has also been categorically denied on behalf of the United Nations by its Secretary General, Mr. Trygve Lie, as utterly false. I am sure that this House accepts those denials.

"So far as our own position is concerned, it is, of course, a slanderous falsehood to say that Canada has participated in any way in any form of germ warfare. It is equally false and equally slanderous, but more cowardly and despicable, to imply without stating it in so many words that Canada is making any preparations in this field except for defence against such warfare. I may say, Mr. Speaker, that some of our best qualified scientists, though they would not of course be permitted to make on-the-spot examinations, have already examined the so-called evidence of Korean germ warfare that has been made public by the Communists and have pronounced it, in an oral report to me, to be a transparent and clumsy hoax.

SEAWAY AND STEEL INDUSTRY: Addressing a dinner meeting of the Quebec Chamber of Commerce on May 8, the Minister of Transport, Mr. Lionel Chevrier, stated that the St. Lawrence Seaway and Power Project "is of paramount importance to our national defence as well as for the continued development of our national economy."

Mr. Chevrier recalled that on the occasion of his recent visit to Washington with Mr. Pearson, the President agreed "to institute the necessary steps for the United States to join the Canadian Government in a submission to the International Joint Commission." It was agreed, however, he said, that "the joint submission would be without prejudice to any actions which might be taken by the present Congress to make the international waterway possible on the basis of the 1941 agreement."

Approval of the joint submission would be submitted right away to the International Joint Commission, said the Minister. "This will permit us to undertake the hydro electric power development project without further delay, to which Canada would add the necessary navigational works."

IRON ORE FIELDS

The Seaway project would be beneficial to the whole of Canada, declared Mr. Chevrier.

"One of the greatest benefits the Seaway will bring to the Province of Quebec," he said, "will undoubtedly be the stimulus it will give to the development of the iron ore fields in the Ungava area."

Not more than ten million tons of this iron ore would reach potential markets without the Seaway. Completion of this project, he added, "would at least double these prospective sales by giving access to the great interior markets where about 75 to 80 per cent of all steel production in the United States is located."

The Minister further stated that in looking at the development of these ore fields and increasing exports to the United States "we are keeping in mind the possibility of developing a greatly enlarged steel industry in Canada," but it was too early "to make a positive prediction in this respect."

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1942 ST. LAWRENCE WARFARE: Observance of Battle of the Atlantic Sunday on May 18 has a special significance this year in that it was exactly 10 years ago that Nazi Germany pressed U-Boat warfare far up the St. Lawrence River and Canadian sailors fought and died within sight of the shores of their homeland.

U-Boats struck in the St. Lawrence at a time when escort vessels could be spared only at great sacrifice from the North Atlantic convoy lanes.

The first attack occurred on the night of May 11-12, 1942, off Cap des Rosiers on the Gaspé coast and the British freighter Nicoya and the Dutch freighter Leto went down in

flames. War casualties, wounded, shocked and coated with oil, landed for the first time on the hitherto peaceful shores of the St. Lawrence. Later that summer the same Gaspé village was to be shaken by a torpedo which, missing its mark, ran on to the beach and exploded.

Minesweepers were diverted from local escort and harbour protection duties, armed yachts, ill-fitted for anti-U-boat warfare, were assigned to convoy duty.

There was a lull of nearly two months and then the U-boats struck in earnest. Shortly after midnight of July 6, three ships of a convoy of 12, again escorted by a single minesweeper, went down off Cap Chat.

Corvettes preparing for the North African campaign, destroyers and more minesweepers were despatched to the St. Lawrence area. American warships guarded convoys routed through the Strait of Belle Isle.

During that summer's campaign, 24 merchant ships were sunk, the armed yacht Raccoon was lost with all hands and the corvette Charlottetown went down with the loss of nine lives. A grievous blow as winter drew near was the torpedoing of the Sydney-Port aux Basques ferry, the S.S. Caribou, at a cost of 136 lives, including that of the only woman member of the Canadian naval services to die from enemy action.

The St. Lawrence campaign brought the war home to Canada as never before and its bitter cost served but to strengthen the will to win.

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MORE CANADIAN WHEAT: Supplies of wheat in the four major exporting countries at April 1 totalled an estimated 818,000,000 bushels, almost 19 per cent less than the 1,006,000,000 bushels available at the same date last year, according to the April issue of the Wheat Review prepared by the Dominion Bureau of Statistics.

Only Canada had more wheat available than a year earlier -- 402,000,000 bushels as against 294,000,000. In the United States the available wheat supply was down to 339,000,000 bushels from 537,000,000, in Australia to 73,000,000 bushels from 103,000,000, and in Argentina to 3,700,000 bushels from 72,000,000.

The outlook for new crops, however, was generally favourable.

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NEW NRC MEMBERS: Dr. T. Thorvaldson of Saskatoon, Sask., and Dr. W.H. Watson of Toronto, Ont., have been appointed as new members of the National Research Council for three years from April 1, 1952. They are distinguished scientists in their respective fields. Dr. Thorvaldson is Dean of Graduate Studies Emeritus at the University of Saskatchewan and Dr. Watson is head of the Department of Physics at the University of Toronto.

EMIGRATION TO U.S.: The Minister of Labour, Mr. Milton F. Gregg, stated on May 9 that contrary to beliefs in some quarters, comparatively few of our engineering graduates emigrate to the United States for their first jobs.

Mr. Gregg based his statement on a report of the Technical Personnel Division of the Department of Labour, which obtained its information from four of the leading universities in Canada. The report stated that last year less than one per cent of the graduates from these universities went to the United States and it is expected the proportion will run about the same this year. Even among those who do go, some only go for the purpose of taking post-graduate training in the United States universities, the Minister pointed out.

According to the report, three factors which tend to influence the decision of Canadian engineering graduates to remain at home were:

1. The great expansion taking place in Canada offering good job opportunities for all engineers seeking employment.

2. Starting salaries offered by Canadian employers, for graduates with degrees, at bachelor level, compare favourably in most cases with those offered by United States companies. The former difference between salaries paid in the United States and Canada is fast disappearing. (Some exception to this situation seemed to be the case for those with advanced degrees, who were frequently able to secure better offers in the United States than in Canada.)

3. The United States draft regulations act as a deterrent in some instances to emigration. Young Canadians are liable for military service after a period of residence in the United States.

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NATIONAL GALLERY COMPETITION: The selection of an architect for the proposed new National Art Gallery is to be determined by a two-stage competition, it was announced in Vancouver last week by The Royal Architectural Institute of Canada. Six final competitors will be chosen from a preliminary competition open to architects who live in Canada and are members of the Institute.

Construction of a National Gallery was one of the recommendations of the Royal Commission on National Development in the Arts, Letters and Sciences.

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GEN. CRERAR HONOURED: The Minister of National Defence, Mr. Claxton, announced on May 8 that Her Majesty the Queen has been graciously pleased to appoint General H.D.G. Crerar, CH, CB, DSO, CD, as her aide-de-camp general from Canada, an appointment Gen. Crerar held under her father, the late King George VI.

NORTH PACIFIC FISHERIES TREATY: The North Pacific fisheries treaty, negotiated last fall in Tokyo between Canada, the United States, and Japan, has been officially signed in Tokyo. The signing took place on May 9, the Department of Fisheries has announced.

Signing for Canada was Mr. A.R. Menzies, Chargé d'Affaires, Canadian Embassy, Japan. The American Ambassador to Tokyo, Mr. Robert Murphy, signed for the United States and Foreign Minister Katsuo Okazaki and Agriculture Minister Kozen Hirokawa signed on behalf of Japan.

The treaty, the first to be signed since Japan regained full sovereignty, brings Japan into association with Canada and the United States in co-operative measures to preserve and perpetuate the fish stocks of the North Pacific. It is known as the International Convention for the High Seas Fisheries of the North Pacific Ocean.

The treaty now goes before the Parliaments of all three countries for ratification. If ratified a Commission will be set up composed of representatives of the three countries. The Commission will be known as the International North Pacific Fisheries Commission.

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CROP OUTLOOK EXCELLENT: Warm, dry weather has prevailed almost without exception in the Prairie Provinces since early April. Under these ideal conditions harvesting of the abnormally large acreages of over-wintered crops has been almost completed, and seeding is also far advanced for this time of the year, particularly in southern areas. Sub-soil moisture reserves are well above normal in Saskatchewan and Alberta and somewhat better than normal in Manitoba. The surface soil has dried rapidly, especially in southern Manitoba and some northern districts of Saskatchewan and Alberta. In these areas rain would now be welcomed. In general, however, the outlook is the best for many years, the Dominion Bureau of Statistics reported on May 7.

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INVENTORIES: Declining for the second consecutive month, estimated value of inventories held by Canadian manufacturers at the end of February totalled \$3,504,000,000 as against the revised estimate of \$3,574,100,000 for January, and \$3,577,600,000 for December. This was \$626,000,000 or 22 per cent above the February, 1951 total of \$2,878,300,000.

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LANCASTERS TO U.K.: Lancasters from the RCAF's 404 Maritime Squadron, Greenwood, N.S., will fly to the United Kingdom during May and June as part of their routine training programme, it was announced on May 10 by Air Force Headquarters.

COLOMBO PLAN GUESTS: Five top ranking public health administrators from India arrived in Ottawa this week to begin an eight weeks' study of public health services in Canada. They will be joined later by two officials from Ceylon and one from Pakistan. The mission, first of its kind in the health field, is being brought to Canada under the technical co-operation section of the Colombo Plan.

Included in the group will be Lieut. Col. T C. Puri, Deputy Director-General of Health Services, New Delhi; Dr. B.C. Das Gupta, Director of Health Services for West Bengal, Calcutta; Dr. A.N. Das, Director of Health Services, Uttar Pradesh, Lucknow; Dr. B.B. Dixit, Surgeon-General to the Government of Bombay; and Dr. K.S. Viswanathan, Director of Public Health, Madras. Arriving later from Pakistan will be Col. S.M.H. Mullick, Director of Health Services for Punjab, and from Ceylon, Dr. C.F.P. Pieris and Dr. I.E. Dirckze.

Under the Colombo Plan for co-operative economic development in south and southeast Asia, set up at a Commonwealth conference in 1950, Canada has joined with other countries interested in the welfare of the people of that area to provide financial aid and technical assistance to the countries of southeast Asia to help them develop their natural resources and to raise their standards of living.

This year Canada is again contributing \$25,000,000 toward the general objectives of the plan and \$400,000,000 toward technical assistance. As a part of Canadian activities under the latter programme, civil and mechanical engineers, agriculturists, teachers, foresters, statisticians and other specialists are being brought to this country for special training.

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GROSS NATIONAL PRODUCT: Canada's gross national product, which measures the value of current production of goods and services at prevailing prices, was \$21,241 million in 1951, an increase of 17 per cent over the 1950 total of \$18,122 million. These figures appear in a bulletin, released by the Dominion Bureau of Statistics, presenting revised preliminary figures on the national accounts for 1951.

A substantial part of the increase in the gross national product for 1951 was due to the general increase in prices at which the total output of goods and services is valued. After allowance for price changes, however, there remained an increase in total real output of over five per cent. This increase in total output was accompanied by a gain of approximately 2.5 per cent in the employed labour force.

National income -- that is, the nation's earnings from current production -- is estimated at \$17,229 million in 1951, an increase of 18 per cent over the revised estimate of \$14,555 million for 1950.

Wages, salaries and supplementary labour income, which is the largest component of national income, amounted to \$9,640 million last year, up 17 per cent over 1950. Military pay and allowances increased to \$201 million from \$137 million.

Investment income, which consists of corporation profits, interest and net rental income received by persons, government investment income and a number of other items showed an average increase of 18 per cent over the previous year. Corporation profits, before taxes, is estimated at \$2,850 million, about 16 per cent higher than in 1950. Interest and net rental income of persons increased by 11 per cent. Profits of government enterprises, such as the Canadian National Railway, provincial liquor commissions, and provincial and municipal public utilities, were unchanged in total.

In the unincorporated business sector, there was a large increase of 38 per cent in accrued net income of farm operators from farm production. Approximately one quarter of the total increase in real terms of gross national product is accounted for by agriculture. A large part of the gain in accrued farm income was due to a near-record wheat crop and to higher average annual prices for livestock. Net income of non-farm unincorporated business increased by five per cent.

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FARM PRODUCTION HIGHER: Physical volume of agricultural production in Canada rose to its second highest level on record in 1951, according to index numbers compiled by the Dominion Bureau of Statistics. The index for the year, on the base 1935-39=100, was estimated at 157.1 as compared with the revised figure of 139.5 for 1950, and the record high of 164.2 set in 1942. The bumper grain crops of the Prairie Provinces together with increased production of livestock, tobacco, vegetables, poultry and eggs more than offset declines in the output of dairy products, potatoes, sugar beets, fruits and maple products.

* * * *

1953 INTERNATIONAL TRADE FAIR: "With the arrangements for the 1952 Fair now rapidly approaching completion, the groundwork plans are already being laid for the holding of the Sixth Canadian International Trade Fair in 1952", the Minister of Trade and Commerce, Mr. C.D. Howe, has announced. The Fair, held annually since 1948, will be at the usual time next year. The actual dates will be announced later.

In making this announcement, the Minister referred to the marked increase which the 1952 Fair will show in the participation by Canadian exhibitors. As compared with the previous two Fairs, the space reservations by Canadian firms this year have increased over 100 per cent.

FREE WORLD'S TASK TO PREVENT WAR

MR. ST. LAURENT'S ADDRESS: Speaking at Mount Allison University, Sackville, N.B., on March 13, the Prime Minister, Mr. Louis S. St. Laurent, expressed the belief that with patience and steadfastness the free world could continue to prevent the outbreak of another general war.

He spoke in part as follows:

"We in the free world were anxious to get on with the job of reconstruction and restoration. We disbanded our forces, turned to the production of goods and services of a constructive kind and prepared ourselves to cooperate with other nations in the solution of international problems. We had been through a modern war and we knew that another world war would be even more terrible, because, at the very end of that last war, we had seen what devastating new forces could be unleashed if war did come again. We tried to lay the foundations of efficient machinery to prevent another war.

"But no sooner had we turned to the tasks of peace when we were confronted with a militant form of totalitarianism even more thorough in its programme of human enslavement than Nazism and Fascism. The leaders of the Communist part of the world seem determined by every possible means to destroy all the human values for which we had just fought. What made the new communist Imperialism even more dangerous was its professed concern with the welfare and the standard of living of mankind. Although those who know what life is actually like behind the 'Iron Curtain' know this is only a cloak to cover the aggressive designs of the Communist rulers, this theoretical appeal of Communism has beguiled a good many honest people in the world....

"Because of this threat to our existence as

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"GERM WARFARE" CHARGES (Cont'd. from P. 1)

"Possibly the best proof that the communist leaders themselves do not believe in these charges or in this evidence is the fact that for their so-called investigations they have used a communist body, called, I think, the International Association of Democratic Lawyers, and other agencies which are under their direct control.

"The United States, the United Kingdom, Canada and the other members of the United Nations with forces in Korea have, on the other hand, agreed that the charges should be investigated by men who would be bound--and of course this is unthinkable in communist countries--only by their professional consciences, and who would act on their scientific knowledge; by men--and this would also be impossible in communist countries--who would not be subject to any form of reprisal or punishment

a free society, the nations in the free world have had to band together to protect themselves and provide for their common security. This has meant that the world has come to be divided into two camps -- one where freedom and justice are the ideals and the other dominated by a group of men who believe in the ruthless regimentation of all aspects of human life and all forms of human expression.

"Outside these two camps there are also a good many people on the surface of the globe who are confused and who do not know which way to turn. To us the choice would seem obvious, but we have to remember that most of the people in other continents until recently have had no opportunity to choose at all. Most of them are suspicious of our motives. By our example, we must convince them that the free world offers them far better opportunities to develop their full personalities than anything promoted by those who preach the beguiling and deceptive doctrines of the Cominform.

"This division in the world has serious consequences. We and those associated with us have to provide defences so that any possible aggressor -- and there is really only one -- will deem it imprudent to start a war because there will be for him little if any chance of ultimate victory. Modern and efficient weapons of war - and free men and women who might be called upon to risk their lives in the defence of our freedom are entitled to the best - are extremely expensive and that means high taxes to pay for them....

"The strength of the free world is growing and so far we have been able to prevent another general war from breaking out. And if we are patient and steadfast I believe we can continue to do so...."

if their conclusions were embarrassing politically to the Governments of which they were nationals..

"For this purpose it has been proposed that the investigation should be conducted by representatives of such impartial international organizations as the International Red Cross or the World Health Organization. Indeed, any international organization of this kind should be acceptable to the United Nations.

"The Communists, obviously embarrassed by the possibility that this kind of investigation might take place, have retreated to the position of denying the impartiality and objectivity of the two international organizations in question, a denial which deceives no one except themselves but which very convincingly exposes their own bad faith and their realization that the charges could not be substantiated for a moment if a genuinely impartial investigation were permitted...."

CONCRETE PROGRESS TOWARDS SEAWAY:

MR. CHEVRIER'S ADDRESS: Emphatically stating that "we are making concrete progress towards early completion of both the power and the navigation development" of the St. Lawrence Seaway project, the Minister of Transport, Mr. Lionel Chevrier, on May 13 described to members of the Brantford Board of Trade the latest developments in this vast undertaking. He warned however, that it could not be said that "the last hurdle is soon to be surmounted."

Mr. Chevrier told how he and the Secretary of State for External Affairs had been to Washington recently where they had a meeting with President Truman. This, he said, followed up our Prime Minister's earlier visit when he secured from the President "his pledge of full support for the Canadian proposal if Congress failed to give early approval to the 1941 agreement." The Minister said that he and Mr. Pearson had "asked that the United States Government join us in an immediate reference to the International Joint Commission regarding power development in the international section of the St. Lawrence River."

JOINT SUBMISSION

President Truman had agreed, he said, to "institute immediately the steps necessary for such a joint submission" on the understanding that it would be "without prejudice to any action which might be taken by the present Congress to make the international waterway possible on the basis of the 1941 agreement between our two Governments."

A joint undertaking would be "the most logical and straightforward method of development in these boundary waters," said Mr. Chevrier and the Canadian Government "still seeks approval of the 1941 agreement with acceptable modification to make the project self-supporting." He added that Government looks upon the all-Canadian Seaway as a "second best choice" and that this alternative "would require co-operation from the United States for the basic power development in the international section of the St. Lawrence River," with Canada building "all the necessary naviga-

tion canals in Canadian territory to complete the Seaway."

He pointed out that Canada had already spent \$300,000,000 to provide a dredged channel of 35 feet from tidewater to Montreal, a 14-foot canal system between Montreal and Lake Ontario; a 25-foot channel between Lake Ontario and Lake Erie; and a lock at the Sault "Canada has spent \$300,000,000 upon these potentialities to enable wheat from the Prairies to move from the head of the Lakes by water to the sea, a distance of 2,000 miles," and compete favourably on the European market with the wheat of other countries.

"Completion of the Great Lakes-St. Lawrence Seaway to a full depth of 27 feet," said the Minister, "would guarantee forever an all water route for our commodities at a substantially reduced transportation cost, through the elimination of trans-shipment at such points as Prescott, Port Colborne and Port McNicoll."

ONE-THIRD DEVELOPED

Power development in this Great Lakes and St. Lawrence Basin included 100,000 h.p. at the Sault; 1,800,000 h.p. at Niagara; 93,000 h.p. at Massena, N.Y., and 1,000,000 h.p. at Beauharnois. "Therefore, out of a total potential of 9,000,000 h.p., barely 3,000,000 h.p. have been developed, or approximately one-third," he said.

"As a result of the rapid postwar expansion of industry in Canada, together with a constantly rising consumption of domestic power, the Province of Ontario has been, for the past few years, faced with an acute shortage of power to meet demands," said Mr. Chevrier. "This is further accentuated by the present increasing activity in defence production. The International Rapids Section with its 2,200,000 h.p. potential - one-half of which belongs to Canada - constitutes the remaining large block of undeveloped hydro power available to Ontario in the southern portion of the Province."

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MONTREAL FESTIVALS: The Montreal Festivals released details of their plans for the summer season on May 3, and if the plans materialize as outlined, July and August should witness events comparable to the spectacles organized by the ancient Venetian Doges--or a Montreal facsimile of them.

Beginning July 26, the programme is to include orchestral concerts and opera at the

Chalet; folk-dancing, ballet, handicrafts, waltz competitions, beauty contests, religious demonstrations, a flower festival and a bicycle race around the island.

The orchestral concerts are, of course, a part of the regular summer series of Les Concerts Symphoniques. The opera will be Gounod's Romeo and Juliette under the direction of Jean Beaudet... (Eric McLean in the Montreal Star).



CANADIAN WEEKLY BULLETIN

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DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

KOREAN ARMISTICE NEGOTIATIONS: The Secretary of State for External Affairs, Mr. L.B. Pearson, made a statement in the House of Commons on May 7 on armistice negotiations in Korea. On behalf of the Government and people of Canada he endorsed the refusal of the United Nations to return forcibly to communist rule the 62,000 prisoners who have indicated that they would resist any United Nations' effort to repatriate them.

Mr. Pearson spoke as follows:

"Members of the House will have seen that the communist negotiators at Panmunjon have turned down the proposal of General Ridgway, the United Nations Commander in Korea, to solve the outstanding points of dispute in the Korean armistice negotiations. The proposal was, first, to exchange approximately 70,000 Korean and Chinese prisoners for the 12,000 Korean and United Nations personnel whom the Communists state they are now holding as prisoners; secondly, to accept communist nominations of Poland and Czechoslovakia for membership on the Neutral Nations Supervisory Commission in exchange for communist acceptance of the United Nations nominations of Sweden and Switzerland, and thirdly, to omit from the provisions of the armistice any reference to the reconstruction and rehabilitation of airfields. This offer was put forward as representing the utmost limits to which the United Nations command could go in making concessions and was intended to be considered as a whole

rather than to be the subject of piecemeal bargaining.

"Careful and individual examination of the approximately 132,000 prisoners held by the United Nations Command has revealed that about 70,000 would accept repatriation. Sixty-two thousand have indicated that they would forcibly resist any United Nations' effort to repatriate them.

"I am sure hon. members will agree with me when I say that in the circumstances it is unthinkable that the United Nations forces in Korea should undertake the ignominious task of forcing these men to return to communist rule. The United Nations Command can obviously make no concession on this point other than to allow the Communists to have the 62,000 men interviewed either by a neutral body or by joint Red Cross teams from both sides in order to satisfy themselves that these individuals have made their decisions of their own free will and not under compulsion. This the United Nations Command has offered to allow, and in doing so have given a convincing demonstration of their good faith in the matter.

"In nominating Sweden and Switzerland and accepting the communist nominations of Poland and Czechoslovakia for the neutral Nations Supervisory Commission, the United Nations Command has been scrupulously fair to the Communists. What the United Nations Command would not do was to accept the communist nomination of the Soviet Union itself to a body

(Continued on P.6)

GUESTS FROM PAKISTAN: The Prime Minister, Mr. St. Laurent, on May 3, met the group of junior officers of the Pakistan Civil Service who are studying public administration in Canada.

The federal Government and the Provinces of Ontario, Alberta and Saskatchewan are co-operating in provision of courses of instruction to these Pakistani officers, who will be in Canada for five months under the auspices of the Colombo Plan for the Co-operative Economic Development of South and Southeast Asia. It is the hope of the Government of Pakistan that, while here, this group will have the opportunity to study not only public administration at federal, provincial and local levels but to learn something of the way Canadians live and to live as Canadians.

Following five weeks of study in Ottawa, where the group is being given general lectures on the people, resources and governmental organization of Canada, the group will proceed in three parties of four each to Kingston, Belleville and Peterborough where they will study municipal and county organization, the work of magistrates' courts and of provincial agricultural representatives. The Department of Municipal Affairs of the Province of Ontario has undertaken the organization of this part of the programme.

The remaining period of training will be spent mostly in Alberta and Saskatchewan, with each province being responsible for the training of six of the group. In the Prairie Provinces they will study provincial-municipal relations, agricultural and irrigation developments and the work of the R.C.M.P.

An interesting aspect of the course has been the great success of the plan under which each member of the group is living with a Canadian family. Hosts and guests have found this to be an interesting and rewarding experience.

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APPOINTED TO WASHINGTON: Commander Paul D. Taylor, 41, of Victoria, who recently completed two tours of duty in the Korean theatre as commanding officer of HMCS Sioux, has been appointed to Washington, D.C., as Chief of Staff to the Naval Member of the Canadian Joint Staff, Assistant Naval Attaché and executive officer of HMCS Niagara. HMCS Niagara is the accounting base for Canadian naval personnel serving in Washington or under training in the United States.

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CANADIAN ARTISTS: The works of three Canadian prize winners will be among the exhibits at the Grand Central Gallery showing in New York City, June 2-13, of the top cash prize winners in the Florida International Art Exhibition. They are: Mr. Frank Kresz, Toronto, Ontario; Mr. Lionel A. Thomas, Vancouver, B.C.; and Mr. A.P. Hunter, Winnipeg, Manitoba.

GREETINGS TO GEN RIDGWAY: Following is the text of a message sent on May 3 by the President of the North Atlantic Council, Mr. Lester B. Pearson, to General Matthew Ridgway, Supreme Allied Commander, Europe:

"As President of the North Atlantic Council, I wish to send you cordial greetings and a warm welcome on your appointment as Supreme Allied Commander, Europe. In appointing you the Council have recognized that your long and successful military experience, both in the direct service of your own country and as a commander of international forces, is eloquent testimony of your qualifications for the great responsibilities of your new command.

"Your new duties will bring you into close touch with NATO Governments, and I know that you will have, from their political as well as from their military leaders, the greatest goodwill and co-operation in carrying out your vital and complex task.

"This support, which is so necessary, reflects both the resolve for peace which underlies our combined efforts in NATO and the confidence we have in your leadership."

Following is the text of a message sent by General Ridgway to Mr. Pearson:

"I approach my task with the humble resolve that it shall have my utmost, and with the sure knowledge that its successful accomplishment depends wholly upon the combined resolve of the free peoples committed to it.

"It is a fundamental principle of the American people that the military must always remain thoroughly subordinate and responsive to the civil power. It is my deep conviction that there is no other way to successfully complete a military task.

I should be grateful if you would transmit to all members of the North Atlantic Council my respectful gratitude for their confidence, so generously expressed, and my complete awareness that only with it in full measure can the task to which we are jointly dedicated be accomplished "

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SECURITIES TRANSACTIONS: Trade in outstanding securities between Canada and other countries in February was at a lower level than in any month since August last year and resulted in a small sales balance, of \$1,400,000 as compared to \$6,500,000 in January and \$23,000,000 in February last year. Sales to all countries in the month totalled \$46,100,000 as compared to \$75,800,000 a year earlier, while purchases amounted to \$44,700,000 as against \$52,800,000. For the two months, January and February, sales aggregated \$102,200,000 and purchases \$94,200,000, making a sales balance of \$8,000,000 as compared to one of \$41,200,000 for the January-February period of 1951.

Trade with the United States in February was lighter than in recent months. Sales amounted to \$41,400,000 and purchases to \$40,400,000.

CANADA-U.S. MILITARY COMMITTEE: A combined meeting of the Canada-United States Military Co-operation Committee and the Regional Planning Committee of the Canada-United States Regional Planning Group will be held at Fort Bragg, North Carolina, between May 12 and 16, the Department of National Defence announced on May 5.

Combined meetings of these groups are held alternately in Canada and the United States as frequently as business requires. The last previous meeting was held in Canada during February 1952.

The Canada-United States Military Co-operation Committee is a separate, bilateral, military planning agency responsible to the U.S. Joint Chiefs of Staff and the Canadian Chiefs of Staff Committee for the integration of military defence planning of North America, exclusive of Mexico. It is composed of two national sections normally located in Ottawa and Washington, D.C.

The Canada-United States Regional Planning Group is an agency of the Standing Group of the North Atlantic Treaty Organization. It is charged with planning the defence of Canada and the United States within the scope of NATO.

The Regional Planning Committee of the Regional Planning Group is responsible to the Chiefs of Staff Committee of the Canada-United States Regional Planning Group, which is composed of the three Service Chiefs of Staff of Canada and the United States

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AMBASSADOR OF BRAZIL: The Department of External Affairs announced that Mr. Heitor Lyra presented on May 5 to His Excellency the Governor General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Brazil to Canada

Mr. Lyra was born at Recife, State of Pernambuco, Brazil, in 1893. He studied at the Faculty of Law of the University of Brazil at Rio de Janeiro. He is a career diplomat, having entered the Brazilian diplomatic service in 1916. He has represented his country at London, Berlin, the Vatican, Lisbon, Buenos Aires and Copenhagen. He has also attended several important international conferences. In 1951, he became Acting Minister of Foreign Affairs.

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MARCH CHEQUES \$9 BILLION Value of cheques cashed in clearing centres continued to rise in March, total for the month being almost seven per cent greater than in the same month last year. Cheques cashed in March amounted to \$9,428,635,000 as compared with \$8,829,639,000 a year ago, and in the January-March period to \$27,951,809,000 as against \$25,814,820,000 in the like 1951 period.

NRC SCHOLARSHIPS: In the academic year 1952-53, the number as well as the value of National Research Council scholarships granted reached an all-time high.

Here is a comparison with last year's figures, which represented the previous record: the number of awards is 241 as against 215, and their total value is \$227,900 as against \$192,100. This year, 65 bursaries, worth \$600 each, have been granted as against last year's 72; the number of studentships, worth \$900 each, is 114 as against 92; and the number of fellowships, worth \$1,200, is 39 as against 30.

Eighteen special scholarships at \$1,500 have been awarded for study abroad, to be held in the following universities: four at Cambridge, three at Oxford, two each at Cornell, London and North Carolina, and one each at Chicago, California, John Innes, Edinburgh, and Illinois.

Five overseas postdoctorate fellowships at \$2,500 each have been granted for work at the following universities: two at Oxford, and one each at Cambridge, Dublin and London.

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CIVIL DEFENCE: A federal-provincial regional conference on civil defence health services was held in Kingston, Ont., on May 5, 6, and 7, the federal Minister responsible for civil defence, Mr. Paul Martin, has announced.

The Kingston conference was the first of its kind, Mr. Martin explained, and will be followed by similar gatherings for the Atlantic region in Halifax and for the western provinces in Regina. These meetings are being designed, he said, as a means of obtaining greater co-ordination of health services planning between adjacent provinces and neighbouring areas within provinces.

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EMPLOYMENT AND PAYROLLS: Industrial employment in the major non-agricultural industries showed a further slight decline at the beginning of March from a month earlier, but was above March last year. Total payrolls and average weekly salaries and wages were higher in both comparisons. According to advance figures, the general index number of employment at March 1, on the base 1939=100, stood at 177.7 -- a new high for the time of year -- as compared with 177.8 in February, and 172.3 at March 1 last year.

DOMINION DRAMA FESTIVAL: Players from Newfoundland to Saskatchewan participated in Canada's 13th Dominion Drama Festival, held in Saint John, N.B. last week. Next year's Festival will be held in Victoria, B.C.

Ontario took six of the 10 awards announced at the conclusion of the Festival, while two went to Regina, Saskatchewan, and the other two to St. John's players - Newfoundland's first representatives in the competition.

The Saturday Players of Ottawa won the Bessborough Trophy for their production of "The Enchanted," by Jean Giraudoux. The same group won two other awards Mrs. Julia Murphy received the Louis Jouvel Trophy for the best director and Glesson Goodhue was judged the best supporting male actor.

The Festival Plaque for the best presentation in English, excluding the winner of the Bessborough Trophy, went to the Regina Little Theatre Society which presented "Tomorrow The World," by James Gow and Arnaud D'Usseau. Mary McNeill, Regina, won the best supporting female award.

The Martha Allen Challenge Trophy for the best visual presentation (design, execution of scenery, costumes and lighting) was won by the St. John's Players Workshop group with "Ladies in Retirement," by Edward Percy. Carmel Kemp, of this group, took the Nella Jefferies Challenge Trophy for the best performance by a woman.

E.M. Margolese of the Actors Company, Toronto, was awarded the Henry Osborne Challenge Trophy, for the best performance by a man. The Company presented Clifford Odet's "Golden Boy."

Robertson Davies, Editor of the Peterborough (Ont.) Examiner, won the Festival Committee prize of \$100 to the author of the best play, judged as a dramatic composition, written by a Canadian and presented in any regional festival. His "Voice of the People" was presented by the Belleville (Ont.) Theatre Guild.

The Sir Barry Jackson Challenge Trophy for the best presentation in regional festivals of a play written by a Canadian went to St. Mary's Theatre, St. Mary's, Ont., for "Sit Ye Doon," by William Digby, 20, London, Ont.

The adjudicator was Mr. Michel St. Denis, Director of the Old Vic Theatre School, London, England.

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BUDGET DEBATE ENDED: The Budget Debate was ended in the House of Commons on May 5 with the defeat by 102 votes to 45 of the Progressive Conservative motion of non-confidence in the Government criticizing its taxation policies. The C.C.F. non-confidence motion accusing the Government of ignoring the wishes of the House of Commons for removal of the four-per-cent floor on medical expenses deductible from taxable income was defeated on May 2 by 89 votes to 42.

INTERNATIONAL CONFERENCE: The ninth meeting of the International Rubber Study Group opened in Ottawa on May 5 with representatives from Australia, Belgium, British colonial and dependent territories, Burma, Canada, Ceylon, Denmark, Federal Republic of Germany, France, Italy, Indonesia, Japan, Liberia, the Netherlands, Thailand, United Kingdom, United States and Viet-Nam.

The following organizations were represented by observers: Interim Co-ordinating Committee for International Commodity Arrangements of the United Nations, Food and Agriculture Organization, Organization for European Economic Co-operation, Organization of American States and the International Rubber Development Committee.

Mr. A.F.W. Plumtre, Head of the Economic Division, Department of External Affairs, was elected Chairman of the meeting, and the following were elected Vice-Chairman; Dr. R. Blankenfeld, Head of the Delegation of the Federal Republic of Germany, and M.C. Lakshnaka Kashemsanta, Head of the Delegation of Thailand.

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PROSPECTING BY AIR: A radically new field technique designed to bring the geological secrets of Canada's vast northern expanses to light within the foreseeable future is being set under way by the Geological Survey of Canada, according to an announcement by Mines and Technical Surveys Minister, Mr. George Prudham. The new technique, geological reconnaissance by air rather than by the conventional canoe and ground methods, is being tried out this season in what is known as Operation Keewatin in an area covering 100,000 square miles lying west of Hudson Bay between latitudes 60 and 64 degrees. This area lies entirely within the Canadian Shield and mainly within the Barren Grounds.

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RAIL REVENUES COSTS AT PEAK: Operating revenues and expenses of Canadian railways both rose to new high levels for the month of January, earnings advancing eight per cent to \$88,032,000 from \$81,568,000 in January last year, and expenses rising 16 per cent to \$85,065,000 from \$73,310,000. As a result of the sharper climb in operating revenues, net revenues from operations dropped to \$2,966,500 from \$8,258,000.

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U.S. BLIMPS VISIT: Two United States Navy blimps are visiting HMCS Shearwater, the RCN Air Station at Dartmouth, N.S., from May 5 to May 13, it has been announced by Naval Headquarters, Ottawa, and the Navy Department, Washington. Object of the visit is to determine the feasibility of working airships from the naval air base and also to give the squadron an opportunity to test its mobility.

GERMANY MOST VITAL SPOT IN EUROPE

MR. PEARSON'S ANALYSIS: Germany is still the most vital spot in Europe today as far as relations between the West and the countries behind the Iron Curtain are concerned, the Secretary of State for External Affairs, Mr. L.B. Pearson, told the House of Commons Standing Committee on External Affairs on April 29.

During his appearance before the Committee on that date Mr. Pearson, in reply to committee members' questions, also made statements, among others, on the present day reaction of the German people to their defeat and privations and the attitude of the United States on the nomination of a successor to General Eisenhower as Supreme Commander of NATO.

Mr. Donald M. Fleming (PC--Eglinton) asked Mr. Pearson "if it is the view of the Canadian Government that Germany is still the most vital spot in the world today as far as our relations between the West and the countries behind the Iron Curtain are concerned?"

IN RESPECT OF EUROPE

Mr. Pearson: "I would certainly subscribe to that observation in respect of Europe. I think that Germany occupies a place in Europe which is similar to that occupied by Japan in the Far East, in so far as the relationship between ourselves and those who would threaten the peace are concerned.

"After all, if you go back in history, and not too far back, you find a situation where there was a very strong Germany in Europe and a very strong Japan in the Far East. By their very strength they upset the historic balance of power in Europe and in the Far East; and eventually the aggressive use of this strength by those two states, Nazi Germany and militarist Japan, caused a world explosion.

"Now, those two centres of power were removed, at least temporarily, as a result of that explosion. That left a new great centre of power, the U.S.S.R. and her satellites, without those counterweights on each side.

"In building up defensive strength against this new menace of Russian communist imperialism the position of Germany and Japan is, then, of extreme importance. I do not think I can go beyond that but it is pretty obvious that this is the situation. That being the case, and because these peoples are vigorous, vital, powerful people, quite apart from their form of government and because there is no way in which you can keep the Japanese and Germans from developing, as I see it, on account of this energy and vigour--nothing can be more important than to have such a development on the side of peace and freedom instead of on the side of aggression and totalitarianism. That is why the position of Germany and Japan is so important."

He spoke on Germany as follows:

"As far as the Nazi party is concerned there have been signs of its revival in Germany just as there have been signs of the revival of the Fascist party in Italy. That must worry anybody who knows about what these parties have done in the past. However, one must remember that the Germans are a proud and nationalistic people, as are the Italians. They have suffered a terrific defeat in war, and great distress and privation through that defeat. I think it would be unnatural if there was not some reaction against those defeats and difficulties in the form of some kind of renewed Nazi or Fascist activity. On the whole, however, I think there has been less of that sort of thing than one might have expected.

"Although it is a danger to be guarded against I think we can feel, after seven years, that the resurgence of the totalitarian ideas in Germany and Italy is not as great as one might have expected. That does not give any grounds for complacency but I think some of the more alarmist reports of the widespread infiltration of high Nazi officers into the German Government and civil service are not borne out by the facts.

FORMER NAZIS

Some German civil servants were members of the Nazi party and there have been some bad examples. There has also been some purging which is recognition that there is a danger. What has happened in the western part of Germany, however, is nothing compared to what has happened in the eastern communist part. In East Germany they will take any Nazi, no matter what his past may have been, provided he will become a slave to the communist dictatorship. They have no scruples at all. We have information about the use by the communists in East Germany of the worst Nazis, S.S. people and such."

General Ridgway, Mr. Pearson said, was appointed as a result of a decision by the North Atlantic Council. When asked by Mr. Victor Quelch (SC--Acadia) if the United States insisted on taking command in all fields or was it a question of mutual arrangement, Mr. Pearson replied:

"Not at all. The United States acted in this matter with great correctness. They said they would not even consider the question of an American nomination unless it was absolutely clear that every member of the North Atlantic Council felt the general should be an American. They made this known to us not yesterday nor the day before but as soon as General Eisenhower resigned."

(Continued from P.1)

KOREAN ARMISTICE NEGOTIATIONS

which is described as the Neutral Nations Supervisory Commission.

"The United Nations Command has also agreed that the armistice provisions will not make any reference to the reconstruction or rehabilitation of airfields but this was done only after considerably heart-searching. I think so important a concession is another proof-positive of the genuineness of the desire for an armistice on the United Nations side.

"I am sure that all members of this House will regret profoundly the communist refusal of this offer that could have brought an end to the fighting in Korea on terms that would have been fair and would not have betrayed the principles of the United Nations charter which governed the original intervention. We must hope that the Communists may even now reconsider their refusal. We must also hope that, notwithstanding this refusal, there will be no need for a resumption of full-scale hostilities. If such resumption should take place, with all its unforeseen consequences, the communists would have to accept full responsibility."

Mr. Graydon: "May I ask the Minister two questions arising out of this statement? First, does it mean that the present negotiations are definitely broken off for the time being? Second, out of the 62,000 prisoners who have indicated that they do not want to go back behind the iron curtain, how many are Chinese and how many are North Koreans?"

Mr. Pearson: "In answer to the first question of my hon. friend, as I understand it no action has been taken on the United Nations part to break off negotiations notwithstanding the refusal of the Communists to accept this offer. I am sure we all hope that no such action will be taken or will be required.

"In answer to the second question, I have not the figures at my command at the moment but I believe--this is subject to correction--that the great majority of the 62,000 are North Koreans."

Mr. Graydon: "That would seem to indicate that the iron curtain countries are not the paradise that some people here and elsewhere would have us believe."

Mr. Pearson: "It is rather convincing evidence."

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"ROYAL JOURNEY" RECORD RUN: "Royal Journey", the film made by the National Film Board of Canada during the tour of Queen Elizabeth and the Duke of Edinburgh through Canada and the U.S. last fall, has completed a record-breaking run in New York, the Canadian Press reported. More than 50,000 saw the film, which ran for nine weeks at the Guild Theatre in Rockefeller Centre. Both the attendance and the length of run were high marks for the Guild.

SUSPEND CREDIT CURBS. The Minister of Finance, Mr. Douglas Abbott, announced in the House of Commons on May 5 that an Order in Council had been passed, effective May 6, suspending credit restrictions made under the Consumer Credit (Temporary Provisions) Act.

The announcement followed almost immediately another fall in the official cost-of-living index by 0.4 points in March. Retailers and manufacturers were reported to expect an upsurge of business as a result of the removal of retail credit restrictions.

Mr. Abbott said:

"This Act was passed by Parliament in September, 1950, and the first regulations under the Act came into force in November of that year. The regulations were considerably stiffened in March, 1951, and generally speaking required down payments of one half of the selling price in the case of motor cars and motorcycles, and one third for all other commodities, with the balance to be paid within the succeeding twelve months. Last January the regulations were relaxed by permitting payments of the balance to be spread over a maximum period of eighteen months.

"The situation with respect to consumer credit is now such that I believe we can safely suspend the operation of these regulations. However, if conditions made it necessary, I would have no hesitation in recommending the reintroduction of consumer credit controls, and in view of existing uncertainties I believe the present legislative basis for such control should be maintained...."

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LIVING COSTS AGAIN DOWN. The Dominion Bureau of Statistics cost of-living index declined 0.4 points or 0.2 per cent between March 1 and April 1. This latest decrease from 189.1 to 188.7 marked the third consecutive decline from the January 1952 peak of 191.5.

Lower food prices were again the main contributor but clothing and homefurnishings also accounted for part of the decrease. The food index moved from 241.7 to 240.2, as decreases were registered for practically all foods except fresh pork, oranges and vegetables. The largest drop was shown by beef which decreased over three cents per pound, while potatoes recorded a much larger than seasonal increase of nearly one cent per pound.

The index of clothing prices declined from 211.2 to 210.4 following decreases in items of both men's and women's woollen apparel.

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BATTLE OF THE ATLANTIC SUNDAY: Battle of the Atlantic Sunday, commemorating the roles of the Royal Canadian Navy and Canada's Merchant Navy in the Second World War, will be observed Sunday, May 18. Church parades will be held wherever there are naval bases and training establishments, and special services will be conducted on board ships at sea



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WEEK'S EVENTS IN REVIEW

JAPANESE PEACE TREATY: The Department of External Affairs announced on April 28 that, with the coming into force of the Japanese Peace Treaty that morning, full diplomatic relations have been resumed between Canada and Japan. The Treaty came into force when the United States Instrument of Ratification was deposited at 9:30 a.m., April 28.

The Canadian Liaison Mission, which was established in Tokyo in 1946, will now have the status of an Embassy. Pending the appointment of an Ambassador, Mr. A.R. Menzies, who has been Head of the Canadian Liaison Mission since December 1950, will be the Chargé d'Affaires ad interim.

Japan, simultaneously, has raised its diplomatic representation in Ottawa to the rank of an Embassy.

In a message to the Prime Minister of Japan, Mr. Yoshida, the Prime Minister of Canada, Mr. Louis S. St. Laurent tendered the cordial good wishes of the Canadian people, adding, in part:

"I wish to assure you that at this historic moment when Japan resumes her place as a free and sovereign member of the Community of Nations, we in Canada, putting behind us all thoughts of rancour which the tragic war may have engendered, look to the new Japan to be

an effective bastion of peace and freedom in an area afflicted by Communist aggression and oppression. It is the deeply felt hope of the Canadian people that Japan will play an honourable and constructive part in helping to re-establish peace, security and friendly relations among the peoples of East Asia. As a prosperous and peaceful Far East is in the best interests of Canada, we expect to find ourselves co-operating with Japan in meeting a great number of common problems in the Pacific area."

Prime Minister Yoshida replied, in part, as follows:

"For the people of Japan who have long toiled and miled patiently and indefatigably under the allied occupation aspiring to a place of honour and equality in the family of free nations this is the day of fulfilment and great rejoicing.

"I deeply appreciate the generous and cordial sentiments toward Japan which your letter conveys on behalf of yourself and the people of Canada. In return I desire to assure you that our nation, chastened and free and committed firmly to the ways of peace, is resolved to follow the path of international conciliation, concord and co-operation...."

RELIGIOUS DENOMINATIONS: Members and adherents of Canada's ten largest religious denominations, as shown by a special compilation of final Census figures, represented 96 per cent of Canada's total population in 1951, and 91 per cent of the population belonged to six of these denominations.

Largest denomination was the Roman Catholic with 6,069,496 adherents or 43.3 per cent of the total population. The United Church was second with 2,867,271 or 20.5 per cent of the population, followed by the Church of England with 2,060,720 or nearly 15 per cent. Next three -- making up the total of 91 per cent -- were: Presbyterian, 781,747 (5.6 per cent); Baptist, 519,585 (3.7 per cent); and Lutheran, 444,923 (3.2 per cent). The remaining four of the ten were: Jewish, 204,836 (1.5 per cent); Ukrainian (Greek) Catholic, 190,831 (1.4 per cent); Greek Orthodox, 172,271 (1.2 per cent); and Mennonite, 125,938 (0.9 per cent).

Roman Catholics were the largest religious group in Quebec (where they accounted for 88 per cent of the population), and in New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. Westward from Quebec the United Church of Canada had the largest following, accounting for 28 to 30 per cent of the total population in Ontario, the Prairie Provinces and British Columbia.

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ARCTIC SUPPLY JOINT MISSION: Three U.S. naval vessels are scheduled to proceed to Arctic waters for the purpose of resupplying the joint Canadian-US weather stations located in the Canadian Arctic Archipelago, it was announced simultaneously on April 24 in Ottawa and Washington. Captain J.W. Callahan, USN Commander Service Squadron 4 U.S. Atlantic Fleet will command the Arctic task group.

Five of the six weather stations to be resupplied are operated jointly by the United States and Canada, the sixth is a joint United States-Danish station. The project known as Nanook 52 marks the fifth consecutive year navy ships have provided logistic support for the chain of year-around weather observing stations since they were established in 1947. These weather stations have provided bases from which meteorological and other scientific investigations are being carried forward.

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GUESTS FROM PAKISTAN: Twelve junior officers of the Civil Service of Pakistan, who will spend five months in Canada under provisions of the Colombo Plan for the Economic Development of South and Southeast Asia, arrived in Ottawa on April 23. During their stay in this country, it is proposed to provide them with further training in public administration, in the federal, provincial and municipal fields. They will also have an opportunity of studying various aspects of the agricultural, industrial and social life of Canada.

GRAIN STOCKS LARGER: Stocks of Canadian grain in all positions at March 31 this year were substantially larger than those of a year earlier and, with the exception of flaxseed, were also above the 1941-1950 averages, according to the annual March-end survey by the Dominion Bureau of Statistics.

Total stocks of Canadian wheat in all North American positions amounted to an estimated 465,900,000 bushels, 113,000,000 bushels more than last year's total and 45,000,000 bushels greater than the 1941-50 average. Stocks in United States positions amounted only to 5,100,000 bushels, most of which was held for drying in bond in Duluth elevators. Farm-held wheat stocks were placed at almost 252,000,000 bushels, about 54 per cent of the total in all positions, as compared to 161,450,000 bushels a year ago. Out of 208,900,000 bushels in Canadian off-farm positions, some 108,000,000 were held in country elevators, interior private and mill elevators, and interior terminal elevators. Stocks in Fort William-Port Arthur and Pacific Coast elevators were 42,800,000 and 11,800,000 bushels, respectively. The remaining 46,300,000 bushels were either in transit or held in mill bins, in eastern elevators and at Churchill.

Farm stocks of wheat in the Prairie Provinces were estimated at 246,000,000 bushels.

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MILITARY SCIENTISTS MEET: Top military scientists from Canada, Britain and the United States were to open a six-day conference in Kingston on April 28, it was announced on April 24 at Army Headquarters.

Some 50 military scientists will attend the tri-partite conference on army operational research, spending three days at Kingston's Royal Military College and three days in Ottawa.

Among the senior visiting scientists will be Mr. H.A. Sargeant, Deputy Scientific Advisor to the British Army Council and Dr. Ellis Johnson, Director of Operations Research Office of the US Department of the Army.

Senior Canadian Army and Defence Research Board officers will represent Canada.

The two previous conferences were held in London and Washington.

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URBAN GROWTH: A total of 4,829,369 persons, more than 34 per cent of all Canadians and close to 56 per cent of the nation's total urban population, live within the boundaries of urban localities with populations of 30,000 and over, according to a special compilation of 1951 Census figures by the Dominion Bureau of Statistics. This is an increase of 1,102,168 persons, or 29 per cent more than the 3,727,201 Canadians living in urban localities of 30,000 and over in 1941, which at that time represented 32 per cent of the total population and 51 per cent of all urban dwellers.

MR. LESAGE ON MIDDLE EAST: The free countries of the Western world cannot allow the strategically important region of the Middle East to become a power vacuum or to fall into Soviet hands, said Mr. Jean Lesage, Parliamentary Assistant to the Secretary of State for External Affairs, in addressing the Rotary Club of Stratford, Ontario, on April 24.

After outlining the historical background of the Arab nationalist movement and describing questions affecting the Arab world dealt with at the recent session of the General Assembly of the United Nations, Mr. Lesage concluded:

"What is occurring in the Middle East is another manifestation, if in some ways a distorted one, of the awakening nationalism which in so many parts of Asia has led to revolt against outside influences and which has often very quickly deteriorated from legitimate nationalism to militant xenophobia. Indeed this nationalism now threatens to upset by force all stability in the Middle East and possibly also in North Africa

MENACE OF COMMUNISM

"It would be foolish to underestimate the strength of this movement and it would be unwise to misunderstand the basis of its inspiration. The tragedy for these countries - and a risk to themselves and indeed to the peace of the world - lies in their blind refusal to realize that, in their desire to gain complete independence by the removal of foreign influence, they are exposing themselves to the menace of Communistic infiltration and absorption - that is, absorption into the Soviet sphere or empire.

"There is no assurance that the countries of the Middle East are capable of defending themselves from outside attack and with their present stage of economic, political and social development it is doubtful whether, without the assistance which the West is able and willing to give them, these countries are capable of maintaining a sufficient level of internal stability to resist the relentless pressure of international Communism.

"On the contrary, the conditions of poverty and social and economic inequality which prevail throughout this area render it a fertile ground in which Communism, which has skilfully and dishonestly succeeded in identifying itself with nationalism, may thrive and perhaps eventually dominate.

"If Communism were triumphant it would remove instantly the independence which the countries concerned claim to be their only objective and which is both a natural and understandable aim. There are fortunately in the area recognized leaders who are fully aware of this peril.

"The free countries of the Western world cannot allow the strategically important region of the Middle East to become a power vacuum or to fall into Soviet hands. It is

therefore a matter of great importance to the security of the whole free world, which of course includes Canada, and in the interests of the Middle Eastern states themselves that the situation there be stabilized as quickly as possible and that the pursuit of legitimate national aspirations be followed in harmony with the development of measures for joint regional defence and security."

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FARM POPULATION DROPS: Despite a rural population increase of 7.5 per cent, Canada's farm population dropped over 320,000, or more than ten per cent, to 2,827,732 in the decade between 1941 and 1951, according to a special compilation of census figures by the Dominion Bureau of Statistics. At the same time the nation's non-farm rural population rose over 700,000; or more than 37 per cent, to 2,553,444. This compares with the corresponding urban population growth of 32.7 per cent to a record 8,628,253.

In 1951 the farm population accounted for 52.5 per cent of the country's 5,381,176 rural dwellers as against over 60 per cent in 1941, and represented slightly more than 20 per cent of Canada's total population as against more than 27 per cent a decade earlier. The non-farm rural population was a little more than 18 per cent of all Canadians, compared to 16 per cent in 1941.

Except for British Columbia, the drop in farm population was general, and ranged from a low of about four per cent in Ontario to a high of over 22 per cent in Saskatchewan. The West Coast province reversed the trend with a farm population increase of over seven per cent to 109,919. All provinces made gains in non-farm rural population in the decade.

Six provinces had more farm dwellers in 1951 than non-farm rural residents. Prince Edward Island's 46,757 farm dwellers represented over 63 per cent of its total rural population; Quebec's 766,910, over 56 per cent; Ontario's 678,043, slightly over 50 per cent; Manitoba's 214,435, nearly 64 per cent; Saskatchewan's 398,279, just under 69 per cent; and Alberta's 339,955, over 69 per cent.

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SASKATCHEWAN MUSIC FESTIVAL: The Provincial Music Festival of Saskatchewan went into its 43rd year and opened its 39th active season last week with festivals in Prince Albert, Wadena, Moose Jaw and Rosetown. The Regina Festival, known as Music Week, commenced this week, on March 28. The first festival in Saskatchewan, a major, well-planned affair, was held in Regina May 24-26, 1909, reports Dan Cameron in the Regina Leader Post. The idea grew. Festivals sprang up in Saskatoon, Moose Jaw and other centres and today the Saskatchewan Musical Association, the co-ordinating body, operates no fewer than 21 festivals.

MANITOBA'S RESOURCES: Approximately 75 per cent of the ore reserves of nickel on this globe are in northern Manitoba, declared Mr. G.D. Weaver (L--Churchill) in an electrifying address before the House of Commons on April 24. Mr. Weaver sketched copper, tungsten, power, shipping, fishing and farming possibilities of the region.

Lifting, he said, the lid of the "treasure box" of the Northland, the Member for Churchill, Man., spoke in part as follows in the continued debate on the Budget:

"Few people know that northern Manitoba is the coming nickel capital of the world. I think I am conservative in this estimate; some people may dispute it but I am being careful to be conservative. Approximately 75 per cent of the ore reserves of nickel on this globe are in northern Manitoba. There are four potential Sudburys in northern Manitoba. To indicate further that I have some knowledge of that of which I speak, may I say that I know personally that in one of these potential Sudburys there are five tremendous ore bodies. One of those ore bodies is sheared diagonally from one side at the top to the bottom so that the ore body gets smaller as it goes down but the piece that is sheared off gets larger as it goes down. Above 1,000 feet of this one ore body the ore that has been blocked out equals one-quarter of a billion tons. There are 250 million tons of ore above 1,000 feet; and that is not all the ore above 1,000 feet in this one block out of five. In terms of the present value of nickel, that ore is worth \$6.50 a ton....

HUGE ORE BODIES

"There are huge nickel ore bodies there. These nickel ore bodies compare in size with the iron ore of Labrador. As you know, nickel is worth something between 60 cents and 70 cents a pound, as compared with the relatively low price of iron.

"I might say that this reef, as you would call it, runs for approximately 300 miles....

"Copper is one of the metals in short supply in the world today. The copper picture is exceedingly favourable in northern Manitoba. Not far from this new reef that runs so far, there is a similar reef that is copper bearing. It would not surprise me if the same thing that applies to nickel is later found to apply to copper.

"I know of another mine; it is a tungsten mine. Tungsten is something that is in exceedingly short supply at the present time. This mine has rich ore, and it will be brought into production in the not far distant future. There are many small mines that cannot go into production because they have no power. It is only the big operations that can bring power to them. The power picture in northern Manitoba is something out of this world....

"You can talk about the resources in northern Alberta, and in northern Ontario and in

northern Quebec. Canada is aware of those resources but is not aware of the fact that in northern Manitoba, having regard to its size and to its population, there are greater resources there than in any other place in Canada.

An hon. Member: "Or in the world."

Mr. Weaver: "Yes; possibly in the world. Certainly those resources in older parts of the world have sustained populations of 50 million and 100 million people, not just 50,000 or 48,000 as there are in my constituency at the present time...."

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EMPLOYMENT REPORT: By mid-April there was evidence that the seasonal unemployment peak had been passed, and there were mounting signs of a pick-up in employment in coming weeks throughout the country, the Minister of Labour, Mr. Milton F. Gregg, announced on April 24. In logging, the spring drive was getting underway, thus stimulating labour requirements in this industry. Fine weather had permitted farm and construction work to start with consequent increased hiring. A noticeable rise had occurred in sales of some consumer goods, notably automobiles and women's clothing. The recently announced reduction of sales taxes on many consumer durable goods should help to stimulate sales further.

Although the total number of job applications with the Employment Service increased during the last half of March, the number dropped during the same period in Ontario and the Western provinces, and by April 10, the trend had reversed and the number of job seekers throughout Canada had reduced by 7,500 with the national total standing at 377,700.

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NEW INFANTRY BATTALIONS: The Canadian Army has announced that the batteries and companies recruited by Reserve Force units for the Active Force at the same time as the units for the 27th Canadian Infantry Brigade were recruited are to be formed into a field artillery regiment and three infantry battalions. For the past year these batteries and companies have been stationed in various camps across Canada and concentrating them into a field regiment and three battalions is the next step in their organization and will enable them to train together as units.

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FOREIGN VEHICLE ENTRIES: Foreign vehicles entering Canada on traveller's vehicle permits in March numbered 62,515 -- practically unchanged from the March, 1951 total of 62,718. The comparison is influenced by the fact that Easter occurred in April this year but in March last year. Cumulative entries for the first three months of 1952 rose seven per cent to 153,067 from 142,594 in the similar period of 1951.

HOPES FOR PEACE AND "GOLDEN AGE"

MR. ST. LAURENT'S ADDRESS: Addressing the Corporation of Professional Engineers of the Province of Quebec in Montreal on April 26, the Prime Minister, Mr. St. Laurent, expressed the hope that the day will not be too long in coming when engineers will no longer be "soldiers," but will be able to devote all their efforts to the service of humanity's welfare, and that there would be, if not a second Industrial Revolution, at least a long period of peace in which we could profit fully and without fear of aggression from the riches which have been showered upon us.

"We had hoped, in 1945," he said, "that science could be directed toward the betterment of a world at peace, and we rejoiced in anticipation at the thought of a Golden Age of which we should be the privileged citizens. The aggressive and apparently unbounded ambitions of certain powers have forced us, alas, to modify our post war programme for improving and expanding our peacetime economy and to have recourse to your services for the preparation of more elaborate weapons of war and stores of material indispensable for safeguarding the threatened peace."

It did not seem presumptuous, he said, in discussing the future, "to predict that atomic energy will be for the 20th century what steam was for the 19th. Our efforts in this field are second to those of no other country and we have every reason to be proud of the results up to now."

Since the aim of the North Atlantic Treaty Organization was to prevent a third World War it was apparent that the efforts of the Atlantic community could not be strictly military. It was important, he said, that we assist our European associates in improving their social and economic structure, in order that the burdens of rearmament do not destroy the very foundations of their democracy.

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MARCH EXPORTS UP 21 P.C.: Canada's domestic exports continued their recent steady climb in March, the month's total value rising slightly more than 21 per cent to \$353,800,000 from \$290,200,000 in the corresponding month last year. With substantial increases already posted for both January and February, the aggregate for the first quarter of this year advanced to \$987,200,000 from \$809,200,000 a year earlier, or by nearly 22 per cent.

Increases in March were recorded for all geographic areas except the United States, with particularly large-scale gains in shipments to the United Kingdom, the Union of South Africa, New Zealand, Brazil, Belgium and Luxembourg, Germany, Italy and Japan. The value of exports to the United States was down slightly in contrast with small gains in earlier months of the year.

He added, in part:

"In the military sphere, Canada has equipped completely three European divisions -- one Dutch, one Belgian and one Italian -- and has placed under General Eisenhower's supreme command the brigade group which Canada agreed to provide as part of the general plan. We are also building up our air strength overseas according to this plan, and strengthening our Navy in the Atlantic

"In the economic sphere, you will recall the loans to the United Kingdom, France and the Netherlands a short time after the war, as well as our efforts to assist the European countries in increasing their exports to this country and the steps taken at various international conferences on trade and tariffs to open our markets to them.

"As a result of our participation in NATO, Canada has already extended assistance to its European associates amounting in value to over \$350 million, designed not only to facilitate the rearmament of Europe but to render it economically possible. This year Parliament is being asked to vote another \$324 million for this same purpose.

"We know that these commitments will be heavy to bear, and that some people, though just a few, already consider them excessive. But, as our Minister of National Defence stated recently, we do not think that the sums spent on defence and on the Atlantic Pact are too high, considering the success achieved in holding at bay, for three years, the threat of another world war which Communist ambition could have unleashed by armed aggression in Europe....

"Because of our position as a privileged and fortunate nation, we have undertaken to assist the peoples of under-developed regions in the world...."

Most of the increase in value was the result of a larger volume of exports. This was more than 17 per cent higher than in the same month last year and only exceeded in the four highest months later in the year.

* * * * *

17 GOVERNMENTS AT RUBBER CONFERENCE: The Minister of Trade and Commerce, Mr. C.D. Howe, announced on April 28 that the International Rubber Study Group would meet in Ottawa from May 5 to 9, the first occasion on which it has met in Canada. Mr. A.F.W. Plumptre, Director of the Economic Division, Department of External Affairs, will be Chairman of the Canadian Delegation. It is expected that sixteen other Governments will be represented at the conference

NATIONAL NOTES

It is estimated that 2,000 Ottawa opera lovers will travel to Montreal at the end of May to hear the Metropolitan Opera Company which is to appear in Montreal and Toronto on its Spring tour.

"I had seven wonderful days here, full of Canadian hospitality," said Queen Juliana of The Netherlands as she said good-bye in Ottawa on April 27, before boarding her plane for Amsterdam.

The documentary film short, "Newfoundland Scene," produced by Crawley Films, Ottawa, has been named "Film of the Year" in the 1951 Canadian Film Awards.

CO-OPERATION IN NATO: The House of Commons on April 28 adopted a resolution moved by Mr. Alistair Stewart (CCF--Winnipeg North) which declared:

"That, in the opinion of this House, if an invitation is received by the Parliament of Canada to appoint delegates to meet with delegates from the Legislatures of the sponsor nations of NATO, with a view to discussing their closer co-operation within the framework of the United Nations Organization, the Government should give consideration to the acceptance of the invitation."

Mr. Stewart said he wanted to see the countries which sponsored the Atlantic Pact adopt common policies on defence, foreign affairs, currency, trade and citizenship.

The following are two excerpts from the remarks of the Secretary of State for External Affairs, Mr. L.B. Pearson, on the resolution:

"I do not wish at this time to get into a discussion of how far we should go, not in giving up our sovereignty but in pooling our sovereignty and making it work for us. I have stated in this House and outside of it that, in this day of complicated international relationships, it is obviously desirable, as I see it, to pool our sovereignty with other friendly states in the interests not only of our security but possibly of our survival. Every time we make a mutual aid treaty with any other country we are, in a technical sense, giving up some of our sovereignty, some control over our own affairs, but we are doing that of our own free will in the interests of our own security and of our own prosperity...."

"In conclusion I would merely express, as a member of the Government, my own agreement with the underlying purpose of this resolution, namely that we should encourage every method of co-operation within NATO which would strengthen that body. If a meeting of the kind that has been suggested could be held, if the

invitation came from a responsible government source, and if the invitation were couched in terms which promised some desirable results, I should think that to such an invitation addressed to this Parliament, the members of Parliament would wish to give extremely serious consideration indeed."

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GENERAL RIDGWAY: In announcing to the House of Commons on April 28 that General Matthew Ridgway, United States Army, had been appointed by the North Atlantic Council to succeed General Dwight D. Eisenhower as Supreme Allied Commander for Europe, the Secretary of State for External Affairs, Mr. L.B. Pearson, after quoting approvingly Lord Ismay's tribute to General Eisenhower, said:

"General Ridgway's distinguished military career and, in particular, his recent post of Commander of United Nations forces in Korea, show him to be well qualified for the important duties of Supreme Commander of the forces of North Atlantic countries in Europe. It is also gratifying to learn that President Truman has expressed his agreement that General Gruenther should remain as Chief of Staff to the new Supreme Commander, a post where he has been so successful and effective under General Eisenhower."

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AMBASSADOR TO ARGENTINA: The Department of External Affairs announced on April 25 the appointment of Major-General L.R. LaFlèche, D.S.O., as Canadian Ambassador to Argentina.

General LaFlèche was born in Kansas, U.S., in 1888 and was educated at Sorel and Montreal, P.Q. During the First World War, he served in France with the Royal 22nd Regiment. He entered the Cabinet in 1942 as Minister of National War Services and served as Member for Outremont in the House of Commons.

In 1945, General LaFlèche became first Canadian Ambassador to Greece, a post which he held until 1949 when he was appointed High Commissioner for Canada in Australia. He relinquished this assignment in 1951. General LaFlèche is married and has five children.

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NATIONAL GALLERY TRUSTEES: The following have been appointed members of the Board of Trustees of the National Gallery of Canada:

Mr. Cleveland Morgan, Montreal, President of the Montreal Art Association; Dr. W.T. Ross Flemington, Sackville, President of Mount Allison University; Mr. Jean Raymond, Westmount, Vice-Chairman of the National Industrial Design Committee of the National Gallery; Mr. Charles Percy Fell, Toronto, President of the Art Gallery of Toronto, and Mrs. H.A. Dyde, Edmonton, who has been an active collector of paintings for many years.

GOVERNMENT



OF CANADA

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WEEK'S EVENTS IN REVIEW

NOTE TO CHINA: The Prime Minister, Mr. St. Laurent, announced in the House of Commons on April 21 that the Government of Canada had joined with the Governments of the United Kingdom, the United States and Australia in the presentation of a note to the Chinese Vice-Minister of Foreign Affairs regarding the treatment accorded their nationals in China. The note was presented on April 21 by the United Kingdom Chargé d'Affaires in Peking.

Mr. St. Laurent said:

"The note referred to previous communications on this subject which had expressed grave concern for the widespread arrests and frequent detention incommunicado of foreign nationals, and also drew attention to the hardships suffered by persons who were prevented or delayed from leaving China. The note pointed out that new arrests had taken place and listed the names of fifty-five United Kingdom, Canadian, Australian and United States citizens who are now understood to be in jail. In addition, there is an undetermined number of persons who are understood to be undergoing one form or another of house arrest.

"The United Kingdom Chargé d'Affaires has asked the Chinese Ministry of Foreign Affairs for information regarding the charges against those persons who have been arrested, the

sentences, if any, which have been passed upon them, and their present whereabouts and welfare. He has also asked for facilities to enable him to communicate with them.

"Of the fifty-five, seven Canadians are known to be imprisoned. They are Bishop Cuthbert O'Gara, Bishop Gustave Prévost, Sister Ste. Marie-Germaine, Sister Ste. Alphonse du Rédempteur, Sister Raymonde Marie, Father Eugène Lauzon, Father Arsenius Mullin.

"Reports received during the past eighteen months from individuals leaving China had indicated that Canadians had not in general been physically maltreated, although some had been subjected to imprisonment and to the humiliation and indignities of what we would call mock 'trials'. We were therefore greatly shocked to learn of the death of Father Joseph Léon Arcand at the Franciscan Mission Hospital at Chefoo on February 8. He had been serving a six months' jail sentence, and was brought in a deplorable condition to the hospital where he died shortly after his admission. This is the first case which has come to our attention in which there is reason to believe that the death of a Canadian missionary has been caused or hastened by serious neglect or maltreatment on the part of the Chinese communist authorities.

(Continued on p. 4)

URBAN POPULATION RISE 32.7 PER CENT

RURAL INCREASE 7.5: Canada's urban and rural populations both grew in the decade between 1941 and 1951 but the rise in the urban population far exceeded that of the rural. According to a special compilation of final figures of the Ninth Decennial Census by the Dominion Bureau of Statistics, the nation's urban population increased 32.7 per cent from 6,501,326 to 8,628,253, while the rural population rose only 7.5 per cent from 5,005,329 to 5,381,176.

The entry of Newfoundland into Confederation in 1949 accounted for 206,621 of the rural gain and 154,795 of the urban increase. If the figures for Canada's new Province are excluded, the urban gain is cut from 2,126,927 to 1,972,132, or to 30.3 per cent, while the rural increase is sliced from 375,847 to 169,226, or only 3.4 per cent.

Since the turn of the century there has been a steady decline in the relative proportion of the Canadian population living in rural areas. In 1901 there were about five rural to three urban dwellers. In 1941, 56.5 per cent of all Canadians resided in urban localities and 43.5 per cent in rural districts. The 1951 Census reveals that the proportion of urban dwellers has further increased to 61.6 per cent, while the proportion of rural dwellers has dropped to 38.4 per cent.

All provinces made gains in urban population during the decade. Prince Edward Island's increased 17.7 per cent from 20,969 to 24,685; Nova Scotia's 13 per cent from 287,609 to 344,831; New Brunswick's 22.8 per cent from 175,111 to 215,011; Quebec's 31.1 per cent from 2,056,947 to 2,697,318; Ontario's 25.4 per cent from 2,591,494 to 3,251,099; Manitoba's 22.2 per cent from 359,678 to 439,580; Saskatchewan's 31.3 per cent from 192,282 to 252,470; Alberta's 69.3 per cent from 265,529 to 449,675; and British Columbia's 44.4 per cent from 549,254 to 793,471. Since 1945,

Newfoundland's urban population has risen 30 per cent from 118,999 to 154,795. Biggest numerical gain was made by Ontario with an increase of 659,605, followed by Quebec with a gain of 640,371. Percentagewise, the biggest gains among the 10 provinces were made by Alberta and British Columbia.

The rural populations of four of the provinces declined in the decade. Saskatchewan's dropped 17.7 per cent from 703,710 to 579,258; Manitoba's 8.9 per cent from 370,066 to 336,961; Alberta's 7.7 per cent from 530,640 to 489,826; and Prince Edward Island's 0.45 per cent from 74,078 to 73,744. On the other hand, Nova Scotia's rural population increased 2.5 per cent from 290,353 to 297,753; New Brunswick's 6.5 per cent from 282,290 to 300,686; Quebec's 6.5 per cent from 1,274,935 to 1,358,363; Ontario's 12.5 per cent from 1,196,161 to 1,346,443; and British Columbia's 38.4 per cent from 268,607 to 371,739. Since 1945, Newfoundland's rural population has increased 1.9 per cent from 202,820 to 206,621. Biggest numerical decrease was Saskatchewan's loss of 124,452 rural dwellers, while the biggest numerical increase was Ontario's gain of 150,282. British Columbia, with the second biggest numerical gain of 103,132, had the largest percentage increase of any of the provinces.

In five provinces and the two territories the rural population still outnumbers the urban population, but in each case the proportion of rural dwellers has decreased since 1941, while the proportion of urban residents has risen. In 1941, 78 per cent of all Prince Edward Islanders lived in rural districts, but by 1951 the proportion was down to 75 per cent. In the decade, New Brunswick's rural proportion dropped from 61.7 to 58.3 per cent. Similarly, Saskatchewan's rural proportion declined from 78.5 to 69.6 per cent; and Alberta's from 66.6 to 52.1 per cent.

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RAIL REVENUES COSTS AT PEAK. Operating revenues and expenses of principal Canadian railways climbed to record levels in 1951. The year's receipts advanced 14 per cent to \$1,078,916,911 from \$948,534,488 in 1950, and expenditures were 18 per cent higher at \$969,513,701 compared with \$824,239,730. The resulting operating income for 1951 was \$61,481,524, down 25 per cent from the preceding year's figure of \$81,497,048.

Revenue freight earnings for the year increased 14 per cent to \$867,874,824 from \$761,839,302, and passenger fares were up 13 per cent to \$88,392,630 from \$78,003,509. Express earnings rose to \$41,832,281 from \$35,871,761, while mail receipts fell nine per cent to \$12,901,251 from \$14,088,869, the decline being due to back pay credits in 1950.

WAGES HIGHER. Average weekly wages of hourly-rated wage earners were substantially higher in the week ending February 1 than in the corresponding week last year, in spite of a lowering in the hours of work in each of the major industries with the exception of buildings and structures.

Average weekly wages in mining at February 1 were up to \$60.00 from \$56.32 a year ago, hourly earnings to 140.6 cents from 127.7, while average hours worked were slightly lower at 43.1 compared with 44.1. Hourly earnings in manufacturing increased 16.8 cents to 127.2, but average hours declined to 41.5 from 42.9. In non-durable goods, average hourly earnings advanced to 115.8 cents from 101.2.

FEBRUARY TRADE BALANCE. Canada had another credit balance on her foreign trade account with all countries in February when total exports exceeded imports by a margin of \$31,400,000. This was the sixth month in a row that the balance was in Canada's favour, and compares with an import surplus of \$37,300,000 in February last year. Credit balance in January was \$21,000,000, bringing the total for the first two months of the year to \$52,400,000 as against a debit of \$75,700,000 a year earlier.

Feature of the month's foreign trade was an expansion of 25 per cent over a year earlier in the volume of Canada's domestic exports. Export prices advanced six per cent, the overall result being a rise of 32 per cent in the value of Canadian goods shipped abroad during the month. In comparison, the volume of imports was about six per cent higher, while prices were down nearly four per cent, the total value increasing only about three per cent. The average price of imports in February was less than in any month last year, a change which has been influenced by the appreciation in the Canadian dollar.

TRADE WITH U. S.

Trade with the United States resulted in an import surplus of \$40,200,000 in February as compared with \$44,100,000 in the corresponding month last year. With the United Kingdom there was an export surplus of \$22,600,000, sharply above last year's February total of \$5,900,000, and there were also sizeable credit balances with Latin America, and European countries as a group. A large export surplus with overseas countries is a feature of Canadian trade which has reappeared consistently during the past half year.

Total imports in February were valued at \$282,000,000 as compared with \$274,200,000 in February last year. Domestic exports rose to \$309,700,000 from \$233,900,000, while foreign exports increased to \$3,700,000 from \$2,900,000.

Imports from the United States were up in value in February to \$211,800,000 from \$199,000,000 a year ago, while domestic exports increased to \$168,700,000 from \$152,400,000. Foreign exports were worth \$2,900,000 as against \$2,500,000. Imports from the United Kingdom fell off to \$21,300,000 from \$27,800,000, while domestic exports to the United Kingdom increased to \$43,600,000 from \$33,600,000, and foreign exports to \$300,000 as against \$100,000.

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INTERNATIONAL ART EXHIBITION For the first time, Canada will take part this year in the Biennale—the International Art Exhibit held in Venice, Italy, every two years. The Canadian exhibits will be organized by the trustees of the National Gallery of Canada, Ottawa.

CAPITAL INVESTMENTS BOOM: Foreign capital investments in Canada continued to boom along at a record-setting pace during 1951 to reach an all-time peak total at the year-end of \$9,424,000,000, according to provisional estimates released by the Dominion Bureau of Statistics. This was an increase of over \$700,000,000 over 1950, and followed a rise of similar size in the previous year. The present level of non-resident capital investments is about one-third larger than at the end of 1945.

The principal growth has been in investments of United States capital, which rose to an estimated \$7,235,000,000 in 1951 from \$6,565,000,000 in 1950, \$5,905,000,000 in 1949, and \$4,990,000,000 in 1945. British investments in Canada have also risen in the last two years to \$1,772,000,000 in 1951 from \$1,723,000,000 in 1950, and \$1,694,000,000 in 1949.

Investments held in other countries did not change greatly in the period until 1951 when a sharp rise occurred to an estimated \$417,000,000 from \$358,000,000 in 1950.

The rise in United States investments has been both in direct investments and in portfolio holdings of public securities. In the two years, 1950 and 1951, direct investments have increased by approximately \$800,000,000 in value. Holdings of Canadian Government and municipal bonds rose by \$364,000,000 and other portfolio holdings of securities by an estimated \$131,000,000. These increases are in the book values of the investments and reflect re-invested earnings. There was an even greater rise in the market value of the investments in the last two years and the aggregate market value at the end of 1951 would be much higher than the book values.

The growth in United States investments in Canada has been distributed throughout the main branches of industry with the principal exception of public utilities. The increased investment in the petroleum industry and in mining in the last two years has accounted for a large part of the rapid growth since 1949. Increased investments in manufacturing have been a feature of all post-war years.

At the end of 1950 there were 2,568 Canadian concerns controlled in the United States, of which 1,229 were in manufacturing. This compares with a total of 1,985 concerns controlled in the United States in 1945, of which 992 were in manufacturing.

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CANADIAN ARTIST PRIZE-WINNER: Canadian artist Jack Nicols was awarded one of 10 prizes at the international exhibition of drawing and engraving at Lugano, Italy, it has been announced. More than 100 artists from 21 European countries, Canada, Japan and the United States were represented.

NOTE TO CHINA

"The fate of the five Sisters of the Immaculate Conception who were tried publicly in Canton on December 2, 1951, has of course been a continuing cause for anxiety. I know all Canadians were relieved to learn that the three sentenced to deportation had reached Hong Kong safely on February 28. However, when we received a first-hand account of their ordeal we were profoundly shocked by the deliberately callous treatment meted out to the sisters, apparently for the purpose of discrediting Western humanitarian institutions in China. It seems to be the long-term policy of the Peking Government to expel all Western missionaries from China, or to make their lives so difficult that they will leave the country. In fact there has been a steady exodus from China of missionaries of all nationalities. According to our information, only 145 Canadians remain in China today, of whom about 100 are missionaries.

"I know all hon. members share the concern of the Government for the safety and well-being of Canadian missionaries in China and will be glad to be assured that everything within our means will continue to be done to assist them until they can get out."

Mr. George A. Drew, Progressive Conservative Leader, expressed concern as to the plight of Canadians who have been serving in China and welcomed the information given by the Prime Minister. Canadians would be shocked, he said, at the circumstances of the death the Prime Minister had reported and would hope that it might be possible by joint action of the Governments associated in the defence of our free way of life to obtain assurances from the communist Government that those now in prison would be released.

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T.C.A. TO GERMANY: The Minister of Transport, Mr. Lionel Chevrier, announced on April 21 that the Civil Aviation Board of the Allied High Commission for Germany has approved an application by Trans-Canada Air Lines to exercise full traffic rights to and from the territory of the German Federal Republic.

The application provides for a service from Montreal to Dusseldorf and Hamburg, Germany, via any one of the following intermediate stops: Goose Bay, Labrador; Gander, Newfoundland; Keflavik, Iceland; Shannon, Ireland; Prestwick, Scotland; London, England; Paris, France.

The request of Trans-Canada Air Lines for authority to exercise traffic rights in Germany was transmitted earlier by the Canadian Government to the Allied High Commission.

CBC WINS SIX AWARDS: CBC won six of the twelve awards offered this year, for nationally heard radio programs, by the Institute for Education by Radio-Television at Ohio State University. First awards went to Stage 52 "for maintaining extremely high cultural and education values constantly utilizing new production and writing techniques to present provocative themes", and to "Cross Section" for "pioneering in a field of social consciousness that is rarely touched".

Honourable mention was awarded to CBC Wednesday Night, the CBC's special evening of programming on the Trans-Canada Network; to a one time broadcast called "No Escape" for "literary excellence in the use of poetic drama to focus the attention of the listener on a dilemma of modern man"; and to two children's programs, "Children's Theatre" and "A Carol for Canada".

The first was cited for "dramatizing fairy tales in such a way as to use children as participants and yet hold the attention of the child audience", the second for "a satisfying balance of lively description and originality in song and drama"; two other awards, for regional school programs went to "Let's Sing Together", produced at CBC Winnipeg for use in schools in Manitoba, Alberta and British Columbia; and "Ecoutez", produced at CBC Vancouver for British Columbia schools.

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RECORD FARM INCOME: Canadian farmers' receipts from the sale of farm products and from grain equalization and participation payments on previous year's crops (Newfoundland excluded) rose to a new high figure of \$2,825,500,000 last year, according to estimates by the Dominion Bureau of Statistics. This income is over 27 per cent above the 1950 income of \$2,219,600,000 and nearly 14 per cent above the former record of \$2,486,600,000 in 1949.

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BEATTY MEMORIAL: Through a \$100,000 memorial to Sir Edward Beatty, Chancellor of McGill University from 1920 to 1943, McGill will bring to Montreal annually distinguished scholars and scientists from all over the world. The Sir Edward Beatty Memorial Lectures have been founded by a donation from Dr. Henry A. Beatty, a brother of the late Chancellor.

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\$42,772,000 FRUIT CROPS: Canada's 1951 fruit crops had a farm value of \$42,772,000, an increase of \$1,200,000 over the preceding year's total of \$41,562,000. There was little overall change in value in the two major soft fruit producing areas - British Columbia and Ontario - but there was a sharp rise in Quebec, and drop in Nova Scotia.

QUEEN JULIANA AT HOME IN OTTAWA

INFORMAL VISIT: Her Majesty Queen Juliana of the Netherlands this week returned to Canada, her home for five wartime years, for a six day informal visit.

She was greeted at the U.S.-Canadian border at Detroit by the Secretary of State for External Affairs, Mr. L.B. Pearson, and, on arrival in Ottawa by air on April 21, received by the Right Hon. Vincent Massey Governor General, and the Prime Minister, Mr. St. Laurent.

She spoke to Canadians in a nation-wide broadcast, placed a wreath at the National War Memorial, laid the cornerstone for the new Queen Juliana Hall at Rockcliffe Public School, which had been attended by her daughters, Princess Beatrix and Princess Irene, and received gifts for her daughters from the pupils. But mainly her visit was devoted to meeting old friends, re-visiting old places and going about the city incognito as she did five years before.

BROADCAST ADDRESS

Her broadcast address to Canada on April 22 was as follows:

"Friends in Canada,

"I am happy to be in your country again, and to extend to you the greetings of the people of the Netherlands.

"Personally I am happy, too. How memories can be reality once more! And how can this thing, called time, suddenly yield to remembrance, as though there have been no years in between!

"Moreover, so much of what time brushes aside remains alive and up to date. And this certainly is the case as regards the kind of alliance we had in the years of the war. Many of you were as much at home in my country as I felt in yours. I think the cause of this really is that both Canadians and Dutchmen know how to sacrifice hearth and home for the common good.

"Your warm hospitality has left such an indelible mark upon me, that, whenever I look back on it, I see a picture of the future which is of great benefit for us all. What I see is this: that distress is bearable so much better in union, than apart, in separateness.

"Therefore, I marvel when thinking that God has ordained it thus for mankind, that, in

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ARMS FOR ALLIES: Canada will send arms shipments this month to France, Italy and the Netherlands under the NATO mutual aid plan.

The shipment to France will include four generators and more than 16,000 infantry anti-tank bombs.

Italy will get arms including 22 range-finders, two generators, 22 lathes and 458 compasses. The Netherlands Army will receive

sharing each other's burdens, a strong unity can be built up as a fighting force, which opens new points of view for possibilities in every direction. In His Creation the human viewpoints are always dependent on Him!

"There is enough to find in your nation and people to base this belief on - such as your hospitableness for those who immigrate, an all-round hospitality which will link many things which still need linking.

Speaking in Dutch to her own countrymen in Canada, she said:

"However long you may be living here, the people around you will continue to see Holland in you and will continue to judge it by you. I always rejoice when I hear that you are doing well and that you are successfully building your future, that you are doing this in harmony and friendship with your new surroundings. The odd friction and disappointment may be unavoidable, but they will remain the exceptions to the rule. Let this be and remain the keynote. All this points to a coming fate, matchless and unequalled in history.

RESPECTED AND TRUSTED

Speaking again in English, she said:

"You, Canadians, are from inclination choosing to set out your course in concern with the well-being of humanity in general. So it is small wonder that you are respected and trusted all the world over, because you follow the dictates of your great sense of responsibility for others. There will not be much difficulty for your people and ours to build together in mutual respect for a better world.

Then, concluding, she said in French:

"You other Canadians, you are choosing by inclination a way of life which takes an interest in the well-being of humanity. It is not surprising, therefore, that you are respected everywhere in the world and that everybody is counting on you. You obey a profound sense of responsibility for your neighbour. There will be no difficulty at all for your people and ours to build together a mutual respect, a new and better world."

Her Majesty, on April 23, also broadcast a brief address over the CBC International service to her people in The Netherlands.

35 Vickers machine guns with maintenance stores. The three shipments will leave Montreal towards the end of April and will be landed at Cherbourg, Naples and Rotterdam. Earlier this year, Canada shipped 60 anti-aircraft guns with radar, predictors and ammunition to the French Army. Other military stores have gone to Italy, the Netherlands, Luxembourg and Belgium under NATO arrangements.

TRADE OFFICE IN CIUDAD TRUJILLO. The Minister of Trade and Commerce, Mr. C.D. Howe, announced on April 23 that the Canadian Trade Commissioner Service proposes to establish an office in Ciudad Trujillo, Dominican Republic, in an effort to stimulate Canadian trade with that country, Haiti and Puerto Rico. A recent survey of that territory revealed that these markets offered Canadian exporters an outlet for some of their products now excluded from the sterling area. Although relatively small, these countries depend to a great extent on imports, a larger proportion of which might readily be supplied by Canada.

The decision to open an office in that area is in line with the policy of the department to explore trade opportunities in some of the smaller markets of the world that have been overlooked during the period of relatively free movement of commodities.

Mr. Howe also announced that Mr. Raineau E. Gravel, of Gravelbourg, Saskatchewan, who has been Commercial Secretary for Canada in Lima, Peru, since September, 1949, would be appointed Canadian Government Trade Commissioner in Ciudad Trujillo, and that he would likely take up his new appointment next September, following a tour of Canada.

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DELEGATION TO WHO ASSEMBLY: The Department of External Affairs announced on April 23, that Dr. O.J. Leroux, Assistant Director, Indian Health Services, Department of National Health and Welfare, will head the Canadian Delegation to the Fifth World Health Assembly, which opens in Geneva on Monday, May 5.

The Assembly, the policy-making body of WHO, will review the past activities of the organization and will consider its 1953 budget and programme.

Dr. W.H. McMillan, Member of Parliament for Welland, and Dr. J.T. Phair, Deputy Minister of Health, Province of Ontario, will be alternate Canadian Delegates. In addition, Dr. T.C. Routley, General Secretary, Canadian Medical Association, will be Special Adviser to the Canadian Delegation, and Mr. Bruce Williams, Canadian Permanent Delegation to the United Nations, Geneva, will serve as Adviser and Secretary.

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\$1,228,005,000 IN MINERALS: Value of mineral production was higher in six of Canada's mineral-producing provinces and in both the Yukon and Northwest Territories in 1951, when the total value for all Canada reached a new peak of \$1,228,005,000, up 17.5 per cent over the previous peak of \$1,045,450,000 in 1950, according to the Bureau's preliminary annual report Nova Scotia, New Brunswick and Manitoba were the exceptions to the general upward trend.

Output in Ontario rose in value to \$437 - 085,000 from \$366,802,000 in 1950 accounting

for 35.6 per cent of the all-Canada total as against 35.1 per cent. Quebec's production increased to \$249,554,000 from \$220,177,000, representing a reduced 20.3 as compared to 21 per cent of the total. Output of Alberta was up sharply in value to \$173,231,000 from \$135,759,000, raising Alberta's share to 14.2 per cent against 13 and moving Alberta ahead of British Columbia into third place as a mineral-producing province. British Columbia had a gain in production value to \$168,293,000 from \$138,888,000, accounting for 13.7 as compared to 13.3 per cent of the total value.

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BUDGET DEBATE Debate on the Budget, submitted by the Minister of Finance, Mr. Douglas Abbott, on April 8, was proceeded with in the House of Commons on April 22 when motions of non-confidence in the Government were sponsored by the Progressive Conservative and C.C.F. Parties. The Social Credit group was prevented by rules from sponsoring a similar motion at that stage.

The following is the text of the motion submitted by Mr. J.M. Macdonnell (PC-Toronto Greenwood), chief financial critic for the Opposition:

"The proposals of the Minister of Finance are unsatisfactory because they would continue to levy excessive and unjust taxation instead of assuring substantial tax reductions

"This House condemns the Government for taxing far beyond actual requirements and for its waste and extravagance.

"And this House regrets the failure of the Government to assure efficient administration in all departments of the public service."

The following is the text of the motion by Mr. M.J. Coldwell, C.C.F. Leader, who followed Mr. Macdonnell in debate:

"That the amendment be amended by adding thereto the following words:

"This House further regrets that the Government has ignored the wish of this House, as expressed by a unanimous vote on March 26, that the 4 per cent floor under medical expenses deductible for income tax purposes should be abolished."

The third Leader to speak on the opening day of debate was Mr. Solon Low, Social Credit, who criticized the Finance Minister's submission as "a rich man's budget."

The debate is proceeding

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CBC GOVERNORS. Two Governors of the Canadian Broadcasting Corporation have been appointed to three year terms from April 1, 1952. The new Governors are Mr. Gordon A. Winter, businessman from St. John's, Newfoundland, and Mr. Roy J. Fry of Winnipeg, Manitoba, an executive of the T. Eaton Company. The appointments bring the number of Governors of the Canadian Broadcasting Corporation to eleven as provided in the legislation enacted at the last session of Parliament.



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WEEK'S EVENTS IN REVIEW

INTERNATIONAL ORGANIZATION: The surprising thing about developments in the field of European international organization is not that so little has been done, but so much, the Secretary of State for External Affairs, Mr. L.B. Pearson, said in an address at Princeton University, Princeton, N.J., on April 15. His subject was, "National Sovereignty and International Organization."

Mr. Pearson traced some of the movements and forces of nationalism since the origin of national sovereignty in the rise of unified states in Western Europe during and after the Renaissance down through present day efforts at international organization. Nationalism, as a spur in the scramble for territory, was largely extinct; nationalism, however, as an expression of the desire of a people for self-government and independence was very much alive. Touching on the wave of insurgent nationalism throughout the Islamic and Asian world and overseas dependencies of the European nation-states, he said; "Perhaps it is inevitable that nationalism must find expression in political freedom before its limitations are realized."

He cited the British Commonwealth of Nations as one important achievement in the trend towards closer international political association. Now that it had been achieved, there was less constitutional and political sen-

sitiveness than formerly about the closest possible co-operation between those members. The move towards international organization, whether it found expression in the United Nations, the North Atlantic Treaty Organization, or the European Council or Defence Community, was bound to have an effect on the traditional concept of national sovereignty.

He dealt in some detail with the machinery of the United Nations and of the North Atlantic Treaty Organization set up to achieve international co-operation between nations of vastly different backgrounds and interests and concluded that there was probably no final answer to the dilemma between functional efficiency and sovereign equality. More significant, in some respects, even than the UN or NATO, as an evidence of the trend towards closer international association, was the movement toward European unity, a "stirring development of historic significance."

Such important developments in the field of European international organization would have been unthinkable twenty years ago, he said. Nevertheless there were those on this continent who were impatient because more progress had not been made, and who thought that during the last five years all national boundaries should have been eliminated in Western Europe, all national traditions and loyalties lost in the larger European concept. We in North America,

(Continued on P. 6)

BUILD ARTIFICIAL HEART: Within the past year, the National Research Council has supported investigations for devising artificial hearts, it is reported by the NRC's Division of Medical Research.

Doctors W.T. Mustard, A.L. Chute and J.D. Keith, of the Sick Children's Hospital, Toronto, have built an artificial heart, designed to shunt the blood from the heart of a child suffering from congenital heart disease, while the surgeon is repairing the heart. In their preliminary work, they have demonstrated that the instrument may be safely used in surgery.

The National Research Council has made ten other grants to medical scientists to investigate various phases of cardiac failure. One of these is being conducted by Dr. F.A.L. Mathewson of the University of Manitoba, who has undertaken to follow, for a period of at least twenty-five years, the history of young men whose electrocardiograms, recorded at examination during their war service, exhibited characteristics which were thought to indicate grave heart disease, although the physical condition of the patient indicated good health.

Grants in aid and fellowships awarded each year by the National Research Council's Division of Medical Research enable many post-graduate students to carry on scientific investigations in the university medical schools and their hospitals across Canada.

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BUY DOWNSVIEW PROPERTY: The Minister of Defence Production, Mr. C.D. Howe, has announced that an agreement has been concluded with deHavilland Aircraft of Canada, Limited, under which the Government will take title to the buildings and land presently owned by that company at Downsview airport, including 125 acres of land now under expropriation. The Crown will make available approximately ninety acres of Crown-owned land on the south west limits of the airport on which the deHavilland company will build a new aircraft plant. The consideration payable by the Crown is \$5 million covering the property acquired as well as the re-establishment of production facilities at the new site.

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CANADIAN BALLET FESTIVAL: Dancers from all over Canada will converge on Toronto for the Canadian Ballet Festival the week of May 5. Toronto alone has five groups among the nearly 250 performers who have entered. Diversity of subject matter will be an outstanding characteristic of the Festival, with productions ranging all the way from Winnipeg Ballet's comedy, "The Shooting of Dan McGrew," through the New Dance Theatre's dramatic, "Heroes 1952," to the abstractions of "Mozartiana," by the Classical Ballet of Ottawa.

FOR A FREE PRESS: "Dictatorship, when it rings down the curtain on the free flow of ideas, effectively cuts off its communication with its own people. It condemns its own regime to destruction because no order based on ignorance can survive, and ignorance is the inevitable end-result of censorship and a slave press. In a democracy, everyone knows the support a government can command, but dictatorships can never be sure of their support. In a nation of 'yes-men' it is impossible to tell how many really mean 'no'." (The Minister of National Health and Welfare, Mr. Paul Martin, in an address at the formal opening of a new building for The Guelph Mercury, Guelph, Ontario, April 9, 1952.)

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NEED FOR SKILLED LABOUR: The Minister of Labour, Mr. Milton F. Gregg, has announced that a National Conference on Apprenticeship in trades and industry had been called for May 19 to 21 in Ottawa.

The Minister stated that the Conference was being called as a result of recommendations by the National Advisory Council on Manpower and the National Advisory Council on Federal-Provincial Vocational Training, which bodies had seen the need for increasing the skilled labour force in Canada during the next few years.

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OTTAWA HYPOTHETICAL TARGET: Canada's capital district will serve as a hypothetical target area at the end of this month when senior civil defence officials from Great Britain, the United States and Canada gather for round-table discussions on a presumed atomic attack on the Ottawa-Hull area, the federal Minister responsible for civil defence, Mr. Paul Martin, announced on April 10.

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ROYAL SALUTES JUNE 9: Twenty-one gun royal salutes will thunder out across Canada, in Europe and on the Korean battlefield, June 9, as the Canadian Army pays its first respects to Queen Elizabeth on her official birthday.

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MR. MASSEY CHOSEN PATRON: The executive committee of New Brunswick's Competitive Festival of Music has announced that its patron this year will be Right Hon. Vincent Massey, Governor-General.

\$200,000,000 YEARLY ONE COST OF NOT COMPLETING SEAWAY

MR. CHEVRIER'S DETROIT ADDRESS: Just one of the costs of not completing the St. Lawrence Seaway would be \$200,000,000 a year increase in the cost of raw material for the steel mills within reach of the Great Lakes, the Minister of Transport, Mr. Lionel Chevrier, said before the Economic Club of Detroit at a luncheon meeting on March 24.

"The Seaway," he said, "will open a much larger market for ore from Labrador than could otherwise be reached. This mining development is going ahead now, with the initial goal of shipping 10,000,000 tons a year. But with the Seaway, and after paying any likely level of tolls, this ore could compete in virtually the whole Great Lakes market, otherwise largely out of economic reach. The mining interests see an immediate sale for at least 20,000,000 tons a year, just double the present goal, and a growing market thereafter."

MOUNTING DEMANDS

Production of ores of the Messabi and other ranges near Lake Superior, the Minister went on, could no longer keep up with mounting demand of the steel mills within reach of the Great Lakes, and, seaway or no seaway, those mills were going to get the necessary ore. Additional supplies might come partly from costly workings of high-grade ore, partly from more costly development of taconite and other low-grade iron formations, and partly from imports brought further inland with greater transportation charges. The indications were that the increase might be a couple of dollars a ton or more within a comparatively few years. The ore requirements of the mills would be at least 100,000,000 tons.

"So you see," he proceeded, "that what is in prospect is an increase of something like \$200,000,000 a year in the cost of raw material for the steel mills, and an even greater increase in the price of the final steel products."

"This prospect would be completely changed by the Seaway. If it existed today, it would enable Labrador ore to compete at present ore prices in virtually all of the Great Lakes districts. The ore occurs as outcroppings or with very light overburden over vast areas, and production could be expanded at low cost to meet any likely level of annual demand."

"In these circumstances, that figure of \$200,000,000 a year is just one of the costs of not completing the Seaway. It is a cost that would have to be met by the ultimate consumers of iron and steel, that is to say by all citizens in both our countries. In just a few years it would outweigh the whole cost of the St. Lawrence project -- power works, navigation facilities, everything."

"Another Seaway benefit would be the savings in the costs of transporting grain, coal

and other commodities that now are carried in large and economic lake vessels for only part of their journey. As it is they must trans-ship either to more costly little 'canallers' or to rail. Thus the saving would be great enough if it were just a matter of allowing cargoes to move in large vessels throughout the Seaway without trans-shipment. It promises to be all the greater because upbound vessels with ore and other cargoes will find it of advantage to carry grain and other down-bound cargoes, making for a greater economy in the use of vessels. It is estimated that this saving will amount to at least \$30,000,000 a year, again after paying any likely level of tolls.

"It is to be noted further that the combination of power and navigation development would stimulate industrial expansion. Right here is, I think, the answer to those railways, ports, power interests and others who oppose the Seaway for fear of harmful repercussions to themselves. I think the Seaway will bring them new business out of this industrial development. But I will go no further into the matter than to quote Mr. Donald Gordon, President of our own Canadian National Railways. On being asked whether he foresaw injury to the railway from the Seaway project, he is reported in the press as replying: 'Whatever tends to open Canada up and help it grow is good for this railroad.'

NATIONAL DEFENCE

"Look now at the Seaway from the viewpoint of national defence. One of its main contributions would be in the matter of iron ore supplies. The demand for ore has risen sharply in the present period of preparedness, and would rise sharply again on the outbreak of a major war. The Lake Superior ores have lost their ready expansibility and taconite concentrates will never have it, while seaborne imports will be highly vulnerable to submarine attack. With the Seaway open, however, all the necessary ore could be moved from Labrador in comparatively safe inland waters."

"The Seaway will permit any but the largest of naval and ocean vessels to be built in inland yards, adding flexibility and dispersal to a wartime shipbuilding programme...."

"There are at least three other contributions to defence that I can only mention in passing. The project would create a reserve of power in a great industrial area to be drawn on in the emergency. It will provide a new transportation route between the factory and battlefield, supplementing the railways which were so hard pressed in the recent effort. And the stimulation to industrial growth which I have mentioned already will make us that much better able to produce in volume the specialized needs of modern war...."

DEFICIT IN 1951 INTERNATIONAL TRANSACTIONS

GROWTH IN IMPORTS: Canada's current transactions in all goods and services with all countries resulted last year in a deficit of \$524,000,000, up \$195,000,000 or nearly two-fifths over the current deficit of \$329,000,000 in 1950, according to the annual report of the Bureau of Statistics on the Canadian balance of international payments. The deficits in 1951 and 1950 were the first since the early 30's and compare with current surpluses of \$187,000,000 in 1949 and \$452,000,000 in 1948.

While up sharply over 1950, the current deficit in 1951 was due to a large deficit in the first half of the year. In the second half there was a small current surplus. Recent current deficits, the report points out, have been largely concentrated in a comparatively short period. There has been a current surplus in the postwar period as a whole, surpluses in the years from 1946 to 1949 exceeding the deficits in 1950 and 1951. Last year's deficit, while the largest recorded, was less than 10 per cent of gross current credits as compared with a deficit amounting to 26 per cent of total current credits in 1930.

TRAVEL ACCOUNT DEFICIT

Principal reason for the enlarged 1951 deficit was the growth in volume of imports, which led to a large import balance on commodity account. At the same time, there was also a larger deficit from all other current transactions, the largest net contributors to the current deficit in 1951 as in 1950 being payments of interest and dividends and miscellaneous current transactions. The latter showed a substantial increase last year, while a small deficit appeared on travel account in contrast to appreciable surpluses in previous years.

Payments to the United States Government on account of the replacement of equipment and other defence purchases were also a notable element contributing to the current deficit. Canada also contributed Mutual Aid to NATO countries of \$165,000,000 in 1951 as compared to \$57,000,000 in 1950, but these amounts do not directly affect the size of the current account deficits, which are a measure of the net inflow of capital into Canada.

LORD TRENCHARD'S VISIT: The Marshal of the Royal Air Force, The Viscount Trenchard, GCB, CM, GCVO, DSO, ILLD and Lady Trenchard arrived in Ottawa on April 16 to begin a three week visit to Canada and the United States.

Canada's total current receipts in 1951 amounted to \$5,341,000,000, an increase of \$1,041,000,000 over the 1950 total of \$4,300,000,000. Total current payments rose to \$5,865,000,000, up \$1,236,000,000 from \$4,629,000,000.

Canada's current account deficit with the United States more than doubled in 1951, rising to \$955,000,000 from \$403,000,000 in 1950 and comparing with \$1,135,000,000 in 1947, the highest year earlier. The largest single change responsible for this increase was a rise of \$755,000,000 in commodity imports or 36 per cent over 1950 as compared to a rise of \$280,000,000 in the value of commodity exports, with the consequent increase in the import balance of \$475,000,000 from \$47,000,000 in 1950 to \$522,000,000. Another factor was the reduced surplus on travel account, which fell to \$9,000,000 from \$67,000,000 in 1950.

CAPITAL MOVEMENTS

Last year was the second year of predominantly large capital movements of a predominantly inward direction, mainly from the United States. In 1951 the most characteristic inflows were long-term movements connected with the financing of Canadian development. Inflows for direct investment by foreign companies in Canadian branch and subsidiary companies and the sales of new issues of Canadian securities in the United States by provinces, municipalities and companies both increased sharply. These were of long-term character, contrasting with many of the inflows in 1950 when movements into Canadian dollar forms of assets resulting from speculative motives were prominent.

Net inflow of capital from the United States amounted in 1951 to \$560,000,000 as compared with \$960,000,000 in 1950. Capital inflows for direct investment rose to \$259,000,000 as against \$199,000,000, and new issues of Canadian securities sold in the United States rose to \$404,000,000 as compared with \$210,000,000, while retirements of Canadian securities declined to \$159,000,000 as against \$263,000,000. A major change in capital movements was a sharp reduction in the inflow of capital connected with the trade in outstanding securities, net sales of which dropped to \$20,000,000 from \$262,000,000 in 1950.

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Lord and Lady Trenchard are visiting Montreal, Trenton, Ont.; Winnipeg, Vancouver, Edmonton, Toronto, Akron, Ohio, and Washington, D.C., and the Marshal will inspect Royal Air Force students training at several RCAF stations across Canada.

POPULATION GAINS IN METROPOLITAN AREAS

FINAL CENSUS FIGURES: Final 1951 Census figures for metropolitan areas, released by the Dominion Bureau of Statistics, show that substantial population gains were made in the past decade in all 15 areas so classed for census purposes and that Canada now has two cities with metropolitan area populations of over one million.

The population of the census metropolitan area of Montreal, the nation's leading metropolis, now stands at 1,395,400, 250,118 or nearly 22 per cent more than the 1,145,282 population of the same area in 1941. The population of Montreal proper increased 13 per cent in the decade to 1,021,520, passing the million mark for the first time. Toronto's metropolitan area population jumped 207,542 or nearly 23 per cent in the decade from 909,928 to 1,117,470. The population of Toronto proper rose only 1.2 per cent in the ten years to 675,754.

Biggest percentage gain in population was made in the metropolitan area of Edmonton, where the population jumped 75,233 or almost 77 per cent from 97,842 to 173,075. The population of Edmonton proper rose over 70 per cent to 159,631 in the decade. Calgary made the second biggest percentage advance, the population of its metropolitan area increasing over 49 per cent or 46,084 persons from 93,021 in 1941 to 139,105 in 1951.

Vancouver's metropolitan area population increased 153,281 or almost 41 per cent from 377,447 in 1941 to 530,728 in 1951; Winnipeg's 54,132 or 18 per cent from 299,937 to 354,069;

Ottawa's 55,618 or nearly 25 per cent from 226,290 to 281,908; Quebec's 50,071 or over 22 per cent from 224,756 to 274,827; and Hamilton's 61,953 or more than 32 per cent from 197,732 to 259,685. This makes seven cities with metropolitan area populations over 250,000 as against four in 1941.

Below the quarter-million mark, Windsor's metropolitan area population rose 33,699 or over 27 per cent from 123,973 to 157,672; Halifax's 35,295 or nearly 36 per cent from 98,636 to 133,931; London's 30,492 or more than 33 per cent from 91,024 to 121,516; Victoria's 29,743 or over 39 per cent from 75,560 to 104,303; and Saint John's 7,410 or over 10 per cent from 70,927 to 78,337. The population of the metropolitan area of St. John's stood at 67,749 in 1951, but no comparative figures for 1941 are available for Newfoundland's major city. However, the population of St. John's proper rose more than 18 per cent to 52,873 from 44,603 in 1945 -- date of the last official census of the new Province.

The populations of other major urban areas as determined by the 1951 Census are: Brantford, 52,231; Fort William-Port Arthur, 71,191; Guelph, 30,387; Kingston, 49,327; Kitchener, 63,009; Moncton, 45,283; Oshawa, 51,582; Peterborough, 41,191; St. Catharines, 67,065; Sarnia, 41,303; Sault Ste. Marie, 40,490; Shawinigan Falls, 49,719; Sherbrooke, 56,128; Sudbury, 70,884; Sydney-Glace Bay, 104,224; and Trois Rivières, 68,306. Comparable 1941 figures are not available for these areas.

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COMMONWEALTH FORESTRY CONFERENCE: The Minister of Resources and Development, Mr. Robert Winters has announced that the Sixth British Commonwealth Forestry Conference, which will attract forestry experts from twenty-six Commonwealth countries, will meet in Ottawa commencing August 11.

Invitations have been sent to the United Kingdom, Australia, New Zealand, South Africa, India, Pakistan, Northern Ireland, Eire, Kenya, Northern Rhodesia, Southern Rhodesia, Tanganyika, Uganda, Anglo-Egyptian Sudan, Gold Coast, Sierra Leone, Nigeria, Nyasaland, Bechuanaland, British Guiana, Jamaica, Trinidad, British Honduras, Federation of Malaya, North Borneo, and Sarawak, to send delegates. Observers will be present from the United States Forest Service and from the Food and Agriculture Organization of the United Nations.

Canada will be represented by delegates from the federal and provincial governments and by associate delegates from the forest industries and the four universities teaching forestry.

PRINCIPALITY OF MONACO: The Department of External Affairs announced on April 15 that, as a result of an agreement just concluded between Canada and the Principality of Monaco, on and after April 15, 1952, Canadian citizens who are bona fide non-immigrants and who are in possession of valid national passports, may, without previously obtaining a visa, visit the Principality for periods each not exceeding three consecutive months.

Subjects of the Principality of Monaco coming to Canada as bona fide non-immigrants and who are in possession of valid national passports will receive from the Canadian authorities in France visas, free of charge, valid for an unlimited number of entries into Canada during a period of twelve months.

It is provided in the agreement that its provisions do not affect the laws and regulations regarding immigration, temporary or permanent residence and employment and occupation of foreigners, in force in Canada and the Principality of Monaco.

(Continued from p. 1)

INTERNATIONAL ORGANIZATION

he said, should be hesitant to apply the patterns and formulae of our own federations to other peoples and other regions of the world.

He proceeded in part:

"Impatience is also being shown in another direction. It is argued that European unity is not only too late; it is too little; that there must be Atlantic Federation or Union, if the Western world is to prosper, or even to survive. So proposals to this end have been made and are being actively pursued.

"In all such proposals a distinction should, of course, be made between those which are based on the participation of governments as units, and those under which representatives will be directly elected to international bodies by the people of the participating countries. The latter, if they exercise real powers, come much closer to what we usually describe as a federation. By analogy with existing federal states, a regional federation would include a popularly elected parliament with defined though limited legislative powers, a common executive or cabinet, a common foreign policy, a common citizenship, common defence forces, a common currency, a common budget and system of taxation, as well as other features of the central institutions of a federal state.

GREATER SACRIFICES

"Those who advocate such schemes of federation either on a regional or wider basis, do so usually from the highest of motives. They perform, I think, a good and useful service in preparing public opinion for the greater sacrifices which will undoubtedly be called for in the future to promote international co-operation. As a practising and I hope practical politician, however, as well as a quondam student of political science, I confess that I sometimes find some of the blueprints so far removed from the possibilities of the present that it is difficult to consider them in realistic terms. Our ultimate destiny - to safeguard our very existence - may require some form of federalism on a regional or even a wider basis. But meanwhile we have to work with the institutions which exist today and attempt to adapt them for the more ready and efficient and equitable solution of our current problems. This is, I suggest, a necessary and practicable task and the insistent demand for something more far-reaching may at times be an obstacle to its accomplishment.

"So I think that normally it is better to proceed to the organization of international action on a piece-meal and functional basis, each step taken after the previous one has been proven to be of value to our peoples, rather than to attempt to implement, in one great leap, some grandiose blueprint for federation.

"May I suggest in conclusion that, in forming our attitudes towards various schemes for integration and union, and for international organization generally, we keep several main ideas to the forefront of our thinking.

"We should be reluctant, if not unwilling, to press others to make a greater abandonment of their sovereign rights than we are willing to make ourselves. We should also remember that small powers are often more sensitive about their rights than large ones. If they weren't they might not have any. If they are realistic, however, they must also know - these smaller powers - that, if they insist on standing alone, they are not likely to get very far in controlling their own destinies....

VOLUNTARY PARTICIPATION

"That is why any international partnership such as NATO, to work effectively and smoothly, must be based on the voluntary participation of its constituent units. That is why the more powerful members should resist any temptation to exercise undue pressure on the others, and also why they should all refrain from exercising pressure on hesitant or unwilling countries to join the group.

"The general principle of equality must, I think, continue to guide us in our approach to projects for closer co-operation. However, the equality appropriate to status need not, and in many circumstances should not, extend to function ...

"We in Canada know that this country, constant to the concept of freedom and generous to the ideals of co-operation, will continue to accept these responsibilities and to use these opportunities.

"Under United States leadership and with the whole-hearted and effective co-operation of the other free countries of the world, we have the right to hope that one day we will secure a world where the weak will at last be safe, because the strong will have learned to be righteous."

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JAPANESE PEACE TREATY: The Department of External Affairs announced on April 17 that the Canadian Instrument of Ratification of the Japanese Peace Treaty was deposited on that date with the Government of the United States of America. Unanimous approval was given to the Peace Treaty in the Senate on April 2 and in the House of Commons on April 9. Article 23 of the Japanese Peace Treaty provides that the Treaty shall come into force when a majority of the countries listed in that article, including the United States, have deposited their instruments of ratification. It is expected that the date on which the Treaty will come into force will be April 28.



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WEEK'S EVENTS IN REVIEW

THE BUDGET: Tax reductions on automobiles, cigarettes, refrigerators, furs, soft drinks and other so-called luxury items were announced in the House of Commons by the Minister of Finance, Mr. Douglas Abbott, on April 8, in his annual Budget Speech.

The Minister also announced a six per cent reduction in personal income taxes, effective July 1 next, but the new Social Security Tax would eliminate any apparent benefit. He said that net reductions during this fiscal year would amount to \$116,000,000 and added:

"After giving effect to my proposed tax changes budgetary revenues are estimated at \$4,279 million, expenditures at \$4,270 million, and consequently an estimated surplus of \$9 million. What I am really doing, of course, is budgeting for a balanced budget, since the \$9 million surplus is less than one-quarter of one per cent of revenues, and less than the normal mathematical margin of error in the estimates themselves."

The day previous, on April 7, Mr. Abbott, reported in the annual White Paper a budgetary surplus of \$355,737,000 for the 1951-52 fiscal year. Revenues for the year ended March 31 last had set an all-time record of \$4,003,-111,000. The nation's debt was reduced by \$2,343,800,000 to \$11,077,600,000.

The White Paper also reported that Canadians earned \$15,818,000,000 in 1951 and had put \$641,000,000 of it into personal savings.

Canada initiated a \$5,000,000,000 three-year defence programme last year, spent \$1,-401,000,000 on defence in the fiscal year ended March 31 last and estimated it will spend \$2,106,000,000 in the current fiscal year. The Minister's review of last year and forecast for the ensuing year, consequently, touched on the international situation. Of the past year, he said:

"We can look back upon the past year with a considerable degree of satisfaction. It has not been an easy year, but it has been a year of solid achievement. We have passed through one critical period, but equally serious dangers still lie ahead. Although we and our friends of the free world are now somewhat better prepared to meet them, there is no room for complacency. We still have the more costly part of our defence programme immediately ahead of us. However, if we are equally resolute, energetic and fortunate during this year and the next, there is good prospect of achieving in the not too distant future, perhaps not a world of genuine peace and goodwill, but at least a position of reasonable confidence and security that can be maintained at a somewhat lower cost than we are now compelled to carry.

"Our major difficulties are international in their origin. We are playing a full and constructive part in all worthwhile endeavours to build the foundations of a safe and peace-

FEBRUARY EXPORTS INCREASE 32 PER CENT

VALUED AT \$309,700,000: Canada's domestic exports to all countries were valued at \$309,700,000 in February -- 10th successive month in which the value exceeded \$300-million -- an increase of 32 per cent over last year's corresponding total of \$233,900,000. This raised the cumulative value for the first two months of 1952 22 per cent to \$633,400,000 as against \$519,000,000. Most of the increase in February was in volume which rose by some 25 per cent.

There were increases from a year ago in the value of Canadian goods exported to all main geographic areas in February, while there were marked increases among most of the major commodities, including newsprint, wheat flour, wood pulp, automobiles, nickel, farm implements, and zinc.

Re-exports of foreign commodities were valued at \$3,703,000 in February as compared with \$2,927,000 in the corresponding month last year, raising the total for the two months, January and February, to \$8,108,000 as against \$6,581,000 in the similar 1951 period.

Exports to the United States were up in value to \$168,779,000 in February from \$152,428,000 a year earlier, accounting for 54.5 per cent of total exports as compared with 65.1 per cent last year. Most of the rise in exports to the United States was concentrated in wood and paper products, iron and products, and non-ferrous metals. There was a drop in exports of animals and animal products.

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COLOMBO PLAN TRAINING: Twelve junior officers of the Civil Service of Pakistan will spend five months in Canada under provisions of the Colombo Plan for the Economic Development of South and South-East Asia. During their stay in this country, it is planned to provide them with further training in public administration, in the federal, provincial and municipal fields, and to give these young men an opportunity to study various aspects of the agricultural, industrial and social life of this country.

In seeking the co-operation of Canada, the Government of Pakistan explained that civil service officers formerly received their initial training in London, Oxford or Dublin. It is now their desire, that administrators of the future should be afforded an opportunity of visiting different Commonwealth countries, in order to gain wider experience of administrative problems and to broaden their general outlook on life. The training should not be restricted to administration, however, but should enable them to draw on the cultural reservoir of Canada. For this reason, arrangements are being made for these officers to stay with Canadian families, as paying guests, in order that they may learn something about family life in Canada.

Shipments to the United Kingdom rose in value to \$43,561,000 in February from \$33,585,000 in the corresponding month last year, gains in non-ferrous metals, wood and paper, and agricultural and vegetable products accounting for most of the increase.

With the Union of South Africa, India and Pakistan, and Australia accounting for most of the gain, exports to other Commonwealth countries rose in total from \$14,082,000 to \$25,133,000. There were smaller increases to the Federation of Malaya, Hong Kong, and New Zealand.

Chiefly as a result of sharply increased exports to Brazil, Cuba, Mexico, and Venezuela, total exports to Latin American countries rose in February to \$27,259,000 from \$10,664,000 a year earlier. Exports to Brazil rose to \$12,287,000 from \$2,332,000, Cuba to \$1,693,000 from \$1,199,000, Mexico to \$4,227,000 from \$1,359,000, and Venezuela to \$2,745,000 from \$1,690,000.

Exports to European countries rose in total in February to \$28,806,000 from \$13,490,000 a year earlier, with large gains to Belgium and Luxembourg, France, Germany, Italy, Norway, and Switzerland. Shipments to the remaining group of foreign countries advanced to \$15,280,000 from \$8,108,000, mainly as a result of increased shipments to Israel, Japan, Morocco, and the Philippines.

PROPOSE ONTARIO ARTISTS' CONTEST: The Ontario Legislature's Art Committee has proposed a competition for Ontario artists. A sub-committee, under the chairmanship of Attorney-General Porter, an amateur artist himself, is to report on the proposal at next year's session of the Legislature.

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OLYMPIC MUSIC ENTRY: "Ballet Symphony", an original composition by Murray Adaskin of Toronto, has been selected as Canada's entry in the Olympic music competitions, the University of Saskatchewan announced on April 2. Mr. Adaskin recently was appointed Professor of Music at the University.

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FINAL POPULATION FIGURES: The Dominion Bureau of Statistics has issued final population totals for Canada as determined by the Ninth Decennial Census of 1951, showing within each federal electoral district the counties, cities, towns, villages, municipalities, townships, Indian Reserves and unorganized areas.

"WE ARE NO LONGER DISMAYED"

MR. PEARSON ON NATO ANNIVERSARY: The following is the text of the nation-wide broadcast by the Secretary of State for External Affairs, Mr. L.B. Pearson, on April 4, the Third Anniversary of NATO:

"Three years ago today, the North Atlantic Treaty Organization was created by the signing of the Treaty in Washington.

"I need not, I think, remind you of the unhappy circumstances which, it seemed to us, made this new organization of peace-loving states necessary. We had thought in 1945 when the fighting stopped that a new era of peace based upon justice was an imminent reality; but in this we came to be bitterly disappointed. There were threats of aggression against Iran in 1946, and some of those who had been our friends and allies wished our friendship no longer. There was continued occupation of and establishment of Soviet satellite regimes in Eastern Europe, culminating in the enslavement of Czechoslovakia in 1948. Desperate efforts were made to nullify the wise generosity of the Marshall plan. International agreements which we took seriously were disregarded; and the exercise of the veto power in the United Nations was abused.

"Three years ago then, we anxiously faced a world in which bad faith and the threat or the reality of violence seemed likely to take advantage of what was then our weakness. Now, after three years, although we are not free from anxiety, and although our strength must still be increased, we know that while we and the free peoples with whom we are allied are still anxious for the future, we are however no longer dismayed. Honest men will agree that

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INTERNATIONAL TRADE FAIR: Exhibit area rented for the 1952 Canadian International Trade Fair is already larger than it was for last year's Fair, with more than two months still to go before opening day. Primary reason for the increase is the remarkably strong Canadian support the Fair has received this year. Space booked by Canadian exhibitors will approximate 80,000 square feet, twice as much as last year.

So far exhibitors in 20 different countries have booked almost 145,000 square feet of space to show products ranging from exotic foods to heavy production machines. Joining Finland and Denmark as first-time exhibitors is Iran, which will be represented in the textile group. Next to Canada, the top-ranking countries space-wise are England, Germany, France and the United States.

The largest trade group at the Fair will, as always, be machinery and plant equipment, which is already almost as large as all the other 15 categories put together. Machine tools are the dominant products in this trade group, but the equipment to be shown ranges

we can be resolute and strong while offering no menace to those who respect the peace and the dignity of the world we live in. Indeed, it should be clear to all that the forces of NATO will never be used for any aggressive action and are being built up solely for defensive purposes. We sincerely hope that these forces will never have to be employed and that from our growing strength we may be able to negotiate political settlements which will relieve the world tension and lead eventually to agreement for the general reduction of armaments.

"Our resolution and our growing strength have entailed some sacrifices for us in Canada; and we are still far from enjoying that peace which we thought we had attained seven years ago. In 1949 this Treaty of North Atlantic states marked our joint determination to make peace a reality and to defend the traditional principles of human dignity and of justice. Our determination today has not lessened; and our strength has increased. This strength consists not only of arms but also of the spiritual values and social and economic ideals of the peoples of the Atlantic area.

"No peaceful and law-abiding state can honestly regard NATO with jealousy or fear. Resolved to live in freedom and tranquility in a world based upon the rules of law and of justice, we are only doing what must be done to ensure that we achieve that purpose. Beyond this, we desire to promote a closer community of the Atlantic countries to further their economic, social and cultural interests. These are NATO's objectives and these are its only aims."

from minute drilling bits to huge presses, and includes almost every field of industrial production.

Textiles, household furnishings and office equipment are also well represented this year, while every trade category contains a satisfactory variety of products. The entire gamut of business machines will be run, as the Business Equipment Machines Association will be represented completely.

One indication of the growing reputation of Canada's International Trade Fair throughout the world is the number of overseas governments that have decided to set up trade information booths at the Fair to tell world business men about the trading possibilities of their respective countries.

Buyer attendance at this year's Fair is expected to set new records. In Canada and many other countries interest has been awakened more than ever before in the Fair as a means of helping to solve the difficult problems of market location and supply sources, largely as a result of the Fair's past record and increased stature.

LIVING COST DOWN: The Dominion Bureau of Statistics cost-of-living index registered a further decrease of 0.9 per cent or 1.7 points from 190.8 to 189.1 between February 1 and March 1. This marked the third decline in the last four months and placed the index at its lowest level since September, 1951.

A sharp drop in the food index from 248.1 to 241.7 was mainly responsible for the latest decrease. Meats were substantially lower with beef cuts averaging down more than five cents per pound, fresh pork three cents, and bacon nearly five cents. Eggs showed a further seasonal decrease, while cabbage and orange prices were also slightly lower. Among other foods a few slight increases were recorded.

The clothing index declined from 213.0 to 211.2, due mainly to lower prices for both men's and women's top coats and men's suits. An increase from 200.1 to 200.8 for home-furnishings and services reflected slightly higher prices for items of furniture, floor coverings, dishes and hardware, along with an increase in telephone rates in Eastern Canada. Decreases were recorded for textile furnishings and cleaning supplies. The fuel and light index rose from 151.3 to 152.5 following increases in domestic bituminous coal.

In the miscellaneous index, small advances in items of health, personal care and recreation overbalanced slight decreases in automobile tires and soap, and the index for this series increased from 146.5 to 146.9. The rent index advanced from 144.8 to 146.3 as rents were surveyed for the first time since November last.

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NEW ZEALAND CHEESE CONTRACT: The Minister of Trade and Commerce, Mr. C.D. Howe, announced of April 4 that the New Zealand Dairy Products Marketing Commission and the Canadian importers concerned have voluntarily agreed to cancel orders for the balance of the New Zealand cheese sold to Canada some months ago. Out of 1200 long tons of cheese yet to arrive in Canada, 800 long tons have been cancelled.

The Canadian Government is grateful for the co-operation of the New Zealand Dairy Products Marketing Commission and the Canadian trade is thus minimizing the already difficult marketing problem that has arisen as a result of the non-renewal of the British cheese contract, the severe quota restrictions on imports of cheese into the United States, and the indirect effect of the embargo imposed by the United States on dairy cattle as a result of the recent outbreak of hoof and mouth disease.

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CANADA AT ILO: Mr. Paul Emile Coté, Parliamentary Assistant to the Minister of Labour, has returned to Ottawa from Europe where he headed the Canadian Delegation at a meeting of the Governing Body of the International Labour Organization in March.

\$277,913,759 ON HIGHWAYS: Canada spent \$277,913,759, or \$20 per person, on its highways in 1950, \$7,700,000 more than in 1949, and wound up the year with 567,155 miles of roads, an increase of 5,808 miles or one per cent. Mileage of surfaced roads rose 7,699 miles to 169,498 miles, boosting the proportion of surfaced highways from 28.2 to 30 per cent. With the increase in motor vehicle registrations, the number of motor vehicles per miles of surfaced road rose from 14.2 in 1949 to 15.3. Trans-Canada highway construction accounted for \$16,000,000 of the total expenditures.

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\$1,364,323,000 TEXTILE INDUSTRY: Canadian textile mills had a gross factory value of production of \$1,364,323,000 in 1949, an increase of about four per cent over the preceding year's total of \$1,314,635,000, according to the general review of the industry by the Dominion Bureau of Statistics.

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NATIONAL WILDLIFE WEEK: This week, April 6 to 12, Canada is observing National Wildlife Week. Established by Parliament in 1947 to remind Canadians of the value of our wildlife resources and the importance of conserving them. National Wildlife Week is timed to include the tenth day of April, the birthday of the late Jack Miner, who made a notable contribution to the cause of conservation in Canada, and on the North American Continent.

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INVENTORIES HIGHER: Estimated value of total inventories held by Canadian manufacturers moved up slightly in January, reaching an all-time high total of \$3,584,400,000, less than half of one per cent above the December value of \$3,577,600,000. There was an increase of nearly 28 per cent over last year's corresponding total of \$2,806,300,000.

* * * *

NATIONAL HARBOURS BOARD: National Harbours Board has record gross earnings of \$17,375,000 in 1951, exceeding those of the previous year by \$2,200,000, or 15%, according to their sixteenth annual report presented to Parliament by the Minister of Transport, Mr. Lionel Chevrier.

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ALBERTA HEALTH SURVEY REPORT: Eighty-seven recommendations to improve public health services in Alberta, including establishment of a complete program of health insurance, are included in the report of the Alberta Health Survey Committee released here by the Minister of National Health and Welfare, Mr. Paul Martin.

ARMED SERVICES' STRENGTHS DOUBLED SINCE KOREA

MR. CLAXTON'S REVIEW. Since Korea, Canada has increased the strengths of the three armed services from 47,000 to 95,300, 100 per cent increase in 20 months, the Minister of National Defence, Mr. Brooke Claxton, announced in the House of Commons on April 3 in an analysis of defence spending and policy.

The Minister spoke at some length on his visit to Japan and Korea, quoted at length from the first report of General Eisenhower to the North Atlantic Treaty Nations, with which, he said, he agreed; gave details of the financial arrangements regarding Canadian forces in Europe, and then proceeded to a defence policy statement and statistics on the growth of Canada's armed forces.

He spoke on those two subjects as follows:

DEFENCE OF CANADA

"In connection with the defence of Canada we have two objects, both the defence of Canada as a territory and the provision of the necessary administrative and training establishments to provide for the greatest and speediest possible mobilization in the event of all-out war. And while these two objects are different, the forces available for one may be available for the other, depending upon the situation.

"There is much more real danger to Canada, of course, than there has been in previous periods; but not the most real danger. That is in Europe. Obviusly we cannot deal with the defence of our half of the North American continent, three and a half million square miles, by our own unaided efforts. We must do it in association with the United States. Also the United States alone cannot do it efficiently. We must work together. So we have worked out with the United States very full and detailed arrangements for our joint defence. This arrangement forms part of the arrangements under the North Atlantic treaty because Canada and the United States form one of the regions of the North Atlantic Treaty Organization.

"One feature which differentiates our defence territorially in Canada from the defence of European countries is that every man in the line in Western Europe stands there for the defence of his own country territorially as well as to make his contribution toward the common defence. What we do in Europe then is a combined effort. Since we regard the defence there as a defence of Canada, it is our defence. But it does not add to our immediate

territorial defence.

"While there is only one defence today, just as there is only one potential aggressor, we must see to it, with our neighbours, that we provide as much defence of our continent as seems appropriate to the risk. The main possibility of attack would be by air, and-therefore we have worked out with the United States an arrangement for air defence entailing radar stations with the necessary communications to enable the effective operation of fighter squadrons. These radar stations will be successively brought into operation to replace the mobile stations we now have.

"For the army we have had in existence for some years the mobile striking force of well-trained, largely airborne and Arctic-trained officers and men forming a combat team designed to clear up any situation that might develop. For the navy we have ships designed to meet our need for coastal defence and minesweeping and we are building up our seaward defences.

STRENGTHS OF SERVICES

"Adding these operations together the approximate strengths of the three services as at March 31, 1952, were as follows:

	Officers	Men	Total
Navy	1,900	11,600	13,500
Army	4,800	44,400	49,200
Air Force	6,800	25,800	32,600
Total	13,500	81,800	95,300

"We have increased our strength since Korea from 47,000 to 95,300, which is a 100 per cent increase in twenty months. During that period we have increased the number of officers from over 7,000 to a total of 13,470....

"Over the last three or four years there have been alarming reports about the difficulty of getting men whom we require at the rate necessary. So far with very few exceptions we have been able to meet every target and I believe that with continued stern efforts and strong support we will succeed in meeting the target for manpower we have set ourselves for 1954 even before that date...."

The debate was continued on that day by General G.R. Pearkes (PC--Nanaimo), Mr. M.J. Coldwell (CCF Leader), Mr. Ray Thomas (SC--Wetaskiwin), Mr. L.T. Stick (L--Trinity-Conception), Mr. Gordon Churchill (PC--Winnipeg-South Centre), Mr. W.G. Dinsdall (PC--Brandon) and Mr. G.M. Murray (L--Cariboo).

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ST. LAWRENCE DEVELOPMENT: Awarding of a \$13,000,000 dredging contract to Marine Industries Limited of Montreal for the "deepening, widening, and straightening" of the St. Lawrence River Ship Channel below Montreal,

and having in mind "the ultimate completion of the St. Lawrence Deep Waterway and the future of the Harbour of Montreal", was announced on April 8 by the Minister of Transport, Mr Lionel Chevrier.

THE BUDGET

ful world. We are co-operating in those aspects of the work of the United Nations where useful progress is possible. We are participating effectively in the Colombo plan, and our role in building up the strength and the health of the North Atlantic community is commensurate with our interests and capacity. On the broad principles of these policies we are a united country, and I am sure I am expressing the thoughts of all groups and parties in this House when I pay tribute to the work of our Prime Minister whose leadership, moderation and good sense have played an important part in world affairs during the past three or four years.

"For the Canadian economy 1951 was a good year. Its first half was dominated by strong inflationary pressures, but as the year progressed these pressures became less severe, and by the end of the year they had been brought under control...."

His forecast for the next year was as follows:

HOPE FOR NEXT YEAR

"Unless conditions at home exceed even my generous expectations, and unless the clouds that overhang the international scene lift more rapidly than we now have a right to expect, my hope for next year is the same as that I expressed a year ago - an expectation of no increases in tax rates, but not much likelihood of substantially lower rates. If we can do as well next year in bettering these expectations, as we have this year, I for one would be content, and I am sure that the House and the country, knowing full well the great and serious responsibilities that we in Canada carry in partnership with others, would fully share that sense of satisfaction...."

In the proposed personal income tax changes announced by Mr. Abbott the present 20 per cent defence surtax is dropped and a new rate schedule proposed involving a tax reduction of approximately 6 per cent on the average. Tax deductions under the new schedule will commence July 1, 1952, concurrently with the commencement of deduction of the old age security tax. The income tax liability for the full year 1952 will be determined in accordance with a special schedule of rates which will, in effect, represent the average of the rates now in force and the rates under the new schedule.

The existing maximum limits on the amount of medical expenses that may be deducted are increased. For a taxpayer with single status the maximum is increased from \$750 to \$1,500; for a taxpayer with married status the maximum is increased from \$1,000 to \$2,000; the additional amount allowed when a taxpayer has dependents is increased from \$250 for each dependent to \$500. Medical expenses must still exceed 4 per cent of taxpayer's income to be deductible.

The requirement that medical expenses must be both "paid and incurred" in a twelve-month period is rescinded. Medical expenses will in future be recognized when paid no matter when incurred.

Technical changes will be made in the system for collecting income tax from the armed forces and in the law governing pension plans.

The present rates of corporation income tax of 15 per cent on the first \$10,000 and 45.6 per cent on profits over \$10,000 (which include the defence surtax) are changed to 20 per cent on the first \$10,000 and 50 per cent on profits over \$10,000. This incorporates the 5 per cent corporation income tax formerly collected in provinces which entered a tax agreement. A 5 per cent tax credit will be given against the federal tax in respect of profits earned in Ontario and Quebec if these provinces continue to levy a corporation income tax. The net change in the tax burden for all corporations will be a reduction of .6 per cent in the rate on profits over \$10,000.

CORPORATE PROFITS

In addition, all corporate profits continue to bear an additional 2 per cent old age security tax.

Companies whose main business is the distribution to, or generation for distribution to, the public of electrical energy, gas or steam will be given a deduction from tax to reduce their tax on income from this source to rate of 43 per cent.

Federal Crown corporations classified as proprietary corporations made subject to corporation income tax.

Special deductions granted petroleum, natural gas and mining industries for exploration expenses are extended for an additional year.

Three year tax exemption for new mines extended to mines coming into production in 1955.

The special excise tax of 25 per cent on automobiles; tires and tubes; cameras and photo equipment; cigars; electrical appliances; firearms and ammunition; fishing rods and reels; fountain pens, pencils, etc.; furs; golf clubs and balls; jewellery, clocks, etc.; lighters; matches; motorcycles and motors; phonographs, radios and tubes; slot machines; smokers' accessories; toilet articles; and trunks, luggage, etc.; is reduced to 15 per cent.

The special excise tax of 15 per cent on household washing machines, stoves and refrigerators is repealed.

The special excise tax of 30 per cent on soft drinks is reduced to 15 per cent and dry-powder drinks competitive with soft drinks are made subject to this tax. The rate on carbonic acid gas is reduced from 50 cents to 25 cents per lb.

The excise tax on cigarettes is reduced by \$1.50 per 1,000, returning this tax to the level in force before last year's budget.

The excise tax on raw leaf tobacco is reduced by ½ cent per oz., reducing this tax to the level in force before last year's budget.

A few miscellaneous additions are made to the list of items exempt from sales tax, most important of which is edible oils.

Minor adjustments under the Excise Act will repeal the duty on spirits used in fortifying wines or any product that is subject to a special excise tax.

All changes are to be effective as at April 9, 1952, and as usual no refunds will be allowed.

A number of amendments of a technical nature will be made to the Succession Duty Act.

Tariff amendments provide some reductions, some modifications and some additions.

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AMBASSADOR OF ITALY: The Department of External Affairs announced on April 7 that Mr. Corrado Baldoni had presented to His Excellency the Governor General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Italy to Canada.

Mr. Baldoni was born in Ancona, Italy, in 1902. He is a Doctor of Laws and Doctor of Social Sciences. He entered the Italian diplomatic service in 1924, and has represented his country at Vienna, Budapest, Cairo, Berlin, the Vatican and Tangier. In 1946, he was appointed Chief of Cabinet of the Italian Minister for Foreign Affairs and from 1947 to 1948 was Head of Personnel at the Foreign Office.

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B.O.A.C. TO CARIBBEAN: British Overseas Airways Corporation has been authorized to operate a new service via Gander, Newfoundland to the Caribbean. In making this announcement on April 8, the Minister of Transport, Mr. Lionel Chevrier, said that this proposed service was one of several authorized under the bilateral air agreement between Canada and the United Kingdom which was signed in Ottawa on August 19, 1949. Establishment of designated air services had in some cases been deferred.

* * * *

WHOLESALE PRICE DECLINE: The composite index for 30 industrial material prices at wholesale continued to decline during March and weakened from 268.6 at February 29 to 264.2 at March 28. Lower prices were noted for steers, wheat, raw rubber, beef hides, sisal, raw wool, crude oil, zinc, lead and copper. These outweighed moderate advances in raw cotton and western oats.

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DR. H.F. LEWIS RESIGNS: Dr. Harrison F. Lewis, Chief of the Canadian Wildlife Service, has resigned after devoting more than thirty-one years to advancing the work of the Department of Resources in wildlife conservation.

CANADA'S SOCIAL SECURITY: Declaring the pillars of Canada's prosperity to be, "Trade, Investment and Social Security," the Minister of National Health and Welfare, Mr. Paul Martin, in an address before the Canadian Restaurant Association, at Toronto, on April 7, said: "It is perhaps the most far-reaching discovery of our time that responsible measures for social reform serve not to undermine but to reinforce prosperity."

Canada's approach to the provision of social security, he said, had been a responsible and a sensible one. This was proven by the fact that in 1937 total expenditures of all governments in Canada on social security were 8.4 per cent of national income, whereas in 1951 they were 6.9 per cent. In 1937 30.6 per cent of the federal budget was for social security, whereas in the fiscal year just ended it was only 22.9 per cent.

He proceeded, in part:

COMMON OBJECTIVE

"Today we are convinced -- the great majority of Canadians certainly -- that our common objective should be to produce in such quantities that all who are willing to work and who can work are able to enjoy a decent livelihood for themselves and for their families. At the same time, with social justice as our guiding principle, we believe that decent provision should be made out of production for our young, handicapped, sick and aged citizens.

"Canadians have good reason to be proud of their country's progress. Indeed, we are fortune's favourites. For as long as human history reaches back, poverty and privation have been accepted as inevitable. But in our time, and preeminently on this continent, we have been finding a way in which to produce enough for the essential needs of every citizen.

"I suggest that it is important for us -- and for less fortunate peoples who can learn from our experience -- to recognize the significance of social measures in our prosperity. There is a lesson in our success that should not be lost on others and that we, too, should not forget -- if we are to go on building in Canada a prosperous and secure and free society.

"Canada has certainly never been more prosperous than in these days in which we are living. In external trade, which last year totalled \$8,000,000,000, Canadians on a per capita basis led the world. This nation of 14,000,000 people is fourth among world traders.

"In investment, which is so important to Canada's dynamic programme of development, this year's estimated total of \$5,000,000,000 or more will be the highest in our history.

"In national income, in farm and labour income, in the value of retail trade and of construction -- in fact, in every major indicator of business activity, Canada is setting new records.

"But Canada's pioneer days are far from over. There remains the vast advantage of developing Alberta's oil, Quebec's titanium and iron ore, our uranium deposits, the water power of the St. Lawrence, and all our other rich resources of mine, forest and farm...."

"Social measures cannot make up for basic shortcomings of a nation's productivity -- but in a prosperous economy like Canada's, responsible measures for social security can help to maintain consumption and stabilize employment. Such measures, by what they do for the health and well-being of the worker -- on whom all wealth depends -- are a real encouragement to production. By their action in countering social injustice, they strengthen the faith of Canadian citizens in their capacity to work out, in freedom and self respect, a decent and secure livelihood...."

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MR. CARTER TO WARSAW: The Department of External Affairs announced on April 10 the appointment of Thomas LeMesurier Carter, M.C., as Chargé d'Affaires a.i., at the Canadian Legation in Warsaw, to succeed Mr. D'Arcy McGreer, who was recently appointed Minister to Denmark.

Mr. Carter is 36 and was born in Toronto. After attending the High School of Quebec and Upper Canada College, he graduated from Bishop's University (B.A.) and the University of London (M.Sc. Econ.). He joined the Department of External Affairs in 1945 after having served overseas in the Canadian Army from 1940 to 1945. Mr. Carter has served in the Embassies at Brussels and Rome, and since 1950 he has been in the Department at Ottawa.

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DR. VAN DEN BRINK TO OPEN FAIR: The Minister of Trade and Commerce, Mr. C.D. Howe, announced on April 9 that the fifth Canadian International Trade Fair would be opened on Monday, June 2, 1952, by Dr. J.R.M. van den Brink, Minister of Economic Affairs of The Netherlands.

Dr. van den Brink's acceptance of the Canadian Government's invitation is deeply appre-

ciated, said Mr. Howe. It emphasizes the close commercial and cultural relations between our two countries, which are being strengthened by the arrival in Canada of an increasing number of Dutch settlers, whose energy and enthusiasm will also contribute substantially to the economic development of this country.

The first Canadian International Trade Fair was opened by His Excellency the Governor General, the second by the Hon. Charles Sawyer, Secretary of Commerce of the United States, the third by His Excellency Hubert Guérin, French Ambassador to Canada, and the fourth by Sir Robert Sinclair, immediate Past President of the Federation of British Industries.

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TELECOMMUNICATION CORPORATION: Canada's stature in international affairs and her position of influence in matters of world trade, coupled with the strategic value of her external telecommunication facilities, highlighted some of the reasons for the profitable year of operation contained in the second Annual Report of the Canadian Overseas Telecommunication Corporation. The report of this crown company was tabled in the House of Commons on April 9 by the Minister of Transport, Mr. Lionel Chevrier.

The Minister disclosed a net profit of \$195,680 for the year 1951, after provision had been made for interest charges, depreciation, obsolescence and increased cost of replacements.

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MORE COMMERCIAL FAILURES: Continuing their post-war climb, commercial failures under the provisions of the Bankruptcy and Winding Up Acts were more numerous in 1951 than at any time since the mid-thirties. Defaulted liabilities followed a similar trend. Number of failures in 1951 was 1,399 as compared with 1,303 in 1950, and 1,532 in 1934 -- the previous high year. Year's defaulted liabilities were \$25,912,000 as compared with \$24,872,000 in 1950, and \$32,954,000 in 1933, next highest year.

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WEEK'S EVENTS IN REVIEW

EXTERNAL AFFAIRS DEBATE: The House of Commons on April 2 concluded a five-day debate on foreign policy with the defeat, 172 votes to 21, of the CCF motion for formal censure of the Government concerning the extension of economic aid to the countries of the North Atlantic Pact.

The motion which the House defeated read: "This House regrets that the Government has failed to take effective steps to achieve the implementation of Article 2 of the North Atlantic Treaty."

The Progressive Conservatives voted with the Government members for the defeat of the CCF motion. The CCF, the Social Credit group, and two independent members from Quebec voted for the motion.

On April 1 the Secretary of State for External Affairs, Mr. Pearson, made statements to the House concerning the NATO military target for 1954 and Canada's military commitments. His lengthy speech of that day was devoted for the most part to answering questions which had been asked during the course of the debate.

Answering a question by Mr. M.J. Coldwell, CCF leader, as to whether he could give the House the target in NATO for 1954, Mr. Pearson replied:

"I do not want to give these figures that have not been given yet by other governments and in other capitals; but as everybody knows we have been talking of a plan to be achieved by the end of 1954 which will result in having enough defensive armed strength to halt an invasion, and estimates for that purpose vary between 80, or 110 and 115 divisions. I do not think I can go any further than that."

He said that NATO's military goal for 1952 was "50 divisions, approximately half of which will be ready for immediate service, the other half being reserve divisions available for employment at periods varying from 3 to 30 days after mobilization."

He made the following statement on Canada's commitments:

"There is a three-year NATO defence plan. For the current year the goals under that plan are firm. For the subsequent two years they are programmes which we hope to be able to achieve, but which are subject to review. Now, in the three-year plan Canada's commitments, as accepted by us, are firm. We agree to supply during those three years one brigade group--that is what we have been asked to do--and twelve R.C.A.F. squadrons. At the end of the third year of the plan we are expected to have produced one brigade group and

(Continued on p. 5)

DR. STEACIE NRC PRESIDENT: Dr. E.W.R. Steacie, who has been Vice-President (Scientific) since 1950 of the National Research Council of Canada, and Director of NRC's Division of Chemistry since 1939, has been named President as of April 1, 1952. He succeeds Dr. C.J. Mackenzie who has been appointed President of the newly created Crown company, Atomic Energy of Canada, Limited, as announced by the Prime Minister last month.

Dr. Steacie brings to his new post wide experience as a scientist and as an administrator. He is the author of 160 scientific papers, and three books, including *The American Chemical Society Monograph "Atomic and Free Radical Reactions"*. An abridged edition of this book has found wide acceptance as a student's text book in the universities. Dr. Steacie's principal work has been in the field of photochemistry and gas reactions which is becoming increasingly important as the basic work underlying petroleum technology.

Before joining the Council staff, Dr. Steacie was a Professor of Chemistry at McGill University, his Alma Mater. During World War II he had a large part in the organization of Canadian chemistry for war purposes, especially in chemical warfare and in the development of explosives. In 1946 he was awarded the Order of the British Empire. He is a Fellow of the Royal Society of Canada, and was its Honorary Secretary 1940-43, and President of Section III in 1947-48. He is a Fellow of the Chemical Institute of Canada, and was President 1949-50. The honorary degree of Doctor of Science was conferred on him by McMaster University and by the University of New Brunswick. In 1948 Dr. Steacie was elected a Fellow of the Royal Society of London, the leading scientific academy in the world, for his "important contributions to chemical kinetics and photochemistry."

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WHEAT COUNCIL DELEGATION: The Minister of Trade and Commerce, Mr. C.D. Howe, announced on March 28 the delegation which will represent Canada at the meeting of the International Wheat Council to be held in London commencing April 17. The Council has before it the task of reaching agreement on a recommendation to member governments covering the terms of an extension of the International Wheat Agreement beyond its present expiry date of July 31, 1953.

The Canadian delegation will be headed by Mr. M.W. Sharp, Associate Deputy Minister of Trade and Commerce, and alternate delegates will be Mr. W.C. McNamara, Assistant Chief Commissioner of the Canadian Wheat Board, and Mr. C.F. Wilson, Director of the Wheat and Grain Division, Department of Trade and Commerce.

The following representatives of wheat producers will serve as advisers to the delegation: Mr. J.E. Brownlee, President, United Grain Growers Limited; Mr. Wes. Coates, Director, Saskatchewan Farmers' Union; Mr. W.J. Parker, President, Manitoba Wheat Pool; Mr. Ben Plumer, Chairman, Alberta Wheat Pool; and Mr. J.H. Wesson, President, Saskatchewan Wheat Pool.

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FISHERIES OUTPUT \$200,000,000: The output of Canada's commercial fisheries had a marketed value of nearly \$200 million in 1951, an increase of about \$20 million over the preceding year.

The British Columbia fisheries progressed in value from \$68 million in 1950 to about \$85 million, exceeding all previous figures. The pack of canned salmon was higher than any figure for the past ten years. Salmon prices significantly advanced over those in 1950, the canned pack being valued at \$46 million.

The market value of the Atlantic fisheries, including Newfoundland, was estimated at about \$95 million. The catch was slightly less than in 1950, but prices were generally better, due to improved marketing conditions of fresh, frozen and salted products.

The fresh water fisheries yielded a better catch than in 1950 with prices generally higher. Total landings were about 95 million pounds against 92 million in the preceding year. (Trade News, Department of Fisheries)

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CIVIL DEFENCE PLANNING: Under agreement with the federal Government, the Province of Alberta is to undertake standardization of all its fire hose connections and couplings as a civil defence measure. The federal Minister of Health and Welfare, Mr. Paul Martin, announced on March 27 that Alberta is to participate in the national programme aimed at establishing uniformity in the size and pattern of fire-hose connections and couplings so as to permit the ready interchange of fire-fighting equipment and facilities in a civil defence emergency.

The federal Government will pay one-third of the total cost of this plan from funds appropriated by Parliament. Alberta thus becomes the second province to take advantage of the federal programme aimed at standardization of fire-fighting equipment. Ontario is already operating on this plan.

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AUTO ENTRIES AT PEAK: Foreign vehicles entering Canada on traveller's vehicle permits rose to a new peak for February, the number of entries, at 52,436, rising 35 per cent above last year's February total of 38,935.

CANADA BECOMES LARGEST SINGLE CUSTOMER OF U.S.

OVER \$2 BILLION IN 1950: In a country as industrialized and diversified as the United States, exports represent only a small part of the total production of goods and services. Yet in 1950 United States exports reached over \$10 billion and Canada, buying more than 67 per cent of her imports from this source, was the largest single customer, the Department of Trade and Commerce announces in an article by Miss J. Clarke, International Trade Relations Branch, in the March 22 issue of the Department's publication, "Foreign Trade".

United States sales to Canada increased from \$300 million in 1935 to over \$2 billion in 1950. This is more than the United States exports to the continents of Africa and South America, or to southern North America, and 70 per cent of United States shipments to Europe. It is over three times as much as the United States ships to the United Kingdom, her next largest customer, the article proceeds.

RAPID INDUSTRIALIZATION

Canada's rapid industrialization and the development of primary resources has increased the demand for all sorts of goods and services, many of which must be imported. Many types of goods this country consumes--such as soft coal, iron and steel, citrus fruit, raw cotton and crude petroleum--are not produced domestically or not in sufficient quantities to meet the demand. Many highly manufactured goods, such as industrial machinery, are imported. Since the United States supplies Canada with many of these products, sales to Canada have become important to the economic welfare of numerous industries and areas of the United States. The Canadian market creates jobs for United States industrial and agricultural workers, miners, construction engineers and contractors, and many others.

The principal exports of the United States to Canada range from raw materials to highly manufactured goods and represent 77 per cent of Canada's imports from the United States.

Canada is the United States' best market for coal--particularly anthracite. In 1950 Canada bought 3.8 million tons, or 97.4 per cent, of United States exports of hard coal. This exceeded total production of ten of the producing counties of Pennsylvania and amounted to about 20 per cent of the production of Luzerne, the largest producing county. Canadian imports of anthracite almost equalled total consumption of the United States with the exception of New England, New York, New Jersey and Pennsylvania. Toronto was exceeded in the consumption of anthracite only by New York City and Philadelphia.

In addition to anthracite, Canada buys large quantities of her soft coal from United States sources--23 million tons in 1950. This

represented about 92 per cent of the United States exports of soft coal. Canadian imports were equivalent to about 14 per cent of the production of West Virginia, the largest producing state; 20 per cent of the consumption of the United States railroads, the biggest single consumer; and more than the production of any one of 22 producing states. Canadian imports provided employment for about 16,500 United States soft coal miners.

In 1950 Canada bought from the United States a total of \$450 million worth of all types of machinery. In value, industrial machinery exports to Canada were equivalent to 53 per cent of the wages paid in the machinery industry in Illinois, the largest producing state, or 21 per cent of Illinois' production.

The United States is Canada's chief source of supply for primary iron and steel. These exports to Canada equalled about 16.7 per cent of the consumption of the entire United States machinery industry; were about three times as great as the consumption of their shipyards, and 20 per cent of the consumption of their railways. Steel mill exports to Canada were equivalent to 17.3 per cent of southern United States production, 36.6 per cent of California production, or 20 per cent of Michigan production.

CRUDE PETROLEUM

Canada buys most of her crude petroleum and products in the United States. Sales of crude petroleum to Canada were equivalent to 3.7 per cent of the Texas production, or 9.4 per cent of the California production, 18.6 per cent of the Oklahoma production, or 14.8 per cent of the Louisiana production. These are the four largest producing states.

Canada provides a market for most of the United States exports of fresh fruit and vegetables. Citrus fruit takes first place. In 1950 the Canadian market absorbed 276 million pounds of United States oranges, equivalent to 66.8 per cent of the total United States orange exports. This was more than the Texas production, double the Arizona production, or 7.8 per cent of the California production. As for grapefruit, in 1950 Canada bought 84 million pounds, or 89.3 per cent of total United States exports. This was equivalent to 14 per cent of the Texas production, 32.8 per cent of the Arizona production, or 45.7 per cent of the California production. In addition, Canada took 92 per cent, or 23 million pounds, of United States exports of lemons.

The bulk of Canadian cotton is bought in the United States. In 1950, this reached a total of 426 thousand bales of raw cotton, more than the combined production in Virginia, North Carolina, Florida, New Mexico, Illinois, Kansas, Kentucky and Nevada....

MONTREAL PASSES MILLION MARK: Final 1951 Census figures for counties, census divisions and their subdivisions such as municipalities, parishes, townships, cities, towns and incorporated villages, released on March 25 by the Dominion Bureau of Statistics, confirm the widespread growth in urban populations indicated by preliminary counts and show Canada with 34 cities with populations of over 30,000, seven more than in 1941.

Population gains raised Sydney, Nova Scotia, and Oshawa, Peterborough, Port Arthur, Sarnia and Sault Ste. Marie, Ontario, to the list, while inclusion of Newfoundland in the Ninth Decennial Census added St. John's.

The nation's seven largest cities remained the same as in 1941, with the population of Montreal proper passing the million mark for the first time and increasing 13 per cent in the decade from 903,007 to 1,021,520. Toronto's population rose 1.2 per cent to 675,754; Vancouver's 25 per cent to 344,833; Winnipeg's six per cent to 235,710; Hamilton's 25 per cent to 208,321; Ottawa's over 30 per cent to 202,045; and Quebec's almost nine per cent to 164,016.

Among the major cities the biggest percentage gain was made by Edmonton where the population jumped more than 70 per cent in ten years to 159,631, boosting the booming capital of oil-rich Alberta from ninth to eighth largest city in the country. Calgary made the second biggest percentage advance, increasing its population over 45 per cent to 129,060, and moving up from tenth to ninth place.

Windsor, eighth ranking city in size in 1941, wound up tenth in 1951 despite a population growth of close to 14 per cent from 105,311 to 120,049. London, tenth in 1931 and eleventh in 1941, remained in eleventh place in 1951 with a population increase of nearly 22 per cent to 95,343.

In the Atlantic Provinces the biggest percentage increase among the leading cities was made by Fredericton, capital of New Brunswick, where the population rose nearly 60 per cent in the decade from 10,062 to 16,018.

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AMBASSADOR OF CUBA: The Department of External Affairs announced on March '28 that Mr. Delfin H. Pupo y Proenza had presented to His Excellency the Governor General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Cuba to Canada.

Mr. Pupo y Proenza was born in Banes, Oriente Province, Cuba. He studied at Columbia University and graduated in administrative and commercial law. He has been a director of the Cuban Chamber of Commerce in the United States since 1945, and was appointed treasurer in 1949. Mr. Pupo was a member of the Cuban Mission which visited the Trade Fair in Toronto in 1949.

QUEEN JULIANA'S VISIT: On October 12, 1951, it was announced that Her Majesty Queen Juliana of The Netherlands would pay an official visit to Canada after her visit to the United States in the spring of this year. After the death of His Late Majesty King George VI, Queen Juliana indicated that as a mark of respect she wished to have her visit to Ottawa given an unofficial character. Upon assumption of his functions as Governor General Mr. Massey repeated his predecessor's invitation to Queen Juliana to stay at Government House during her visit.

His Excellency has now received a message of acceptance from Her Majesty who will arrive in Ottawa during the evening of April 21. Her Majesty will be coming to Ottawa unofficially to renew the associations established during her wartime residence here. The programme for her visit will consequently be simple and informal.

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\$400,000,000 UNEMPLOYMENT INSURANCE: Unemployment Insurance during its first ten years of existence in Canada had proven, even in years of record high employment, to be of inestimable benefit to the individual, the community and the nation, stated the Minister of Labour, Mr. Milton F. Gregg on March 31.

Mr. Gregg pointed out that to the end of February, a total of \$416,918,240 had been paid out in benefits since the inception of the Unemployment Insurance Commission in 1941, and a total of 3,234,500 claims for benefit were paid up to the end of 1951. He stated that the number of persons covered by the Unemployment Insurance Act was steadily rising and quoted the following figures to illustrate this: In May, 1950, there were 2,659,000 persons in insurable employment; 2,989,000 by April 1, 1951, and 3,170,000 on December 1, 1951.

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HOUSE BUILDING DECLINES: For the first time since the end of the War and the formation of this Corporation, the volume of house building declined in 1951, the Central Mortgage and Housing Corporation has reported.

The level of new residential starts from May until the end of the year was progressively lower than in 1950. During the year about 72,000 dwellings, including conversions, were started, which represents a decline of 24% from 1950. Completions at about 84,000 were 8% lower than last year. In the six years ending in 1950 completions averaged 76,000 units. Dwellings under construction at the end of the year numbered about 46,000 as compared with 60,000 at the end of 1950.

(Continued from p. 1)

EXTERNAL AFFAIRS DEBATE

twelve R.C.A.F. squadrons. That is our participation in the plan as at present determined for the three years. I do not know that I can make it any clearer than that."

At the conclusion of his speech the Minister gave a summary of the considerations upon which he thought Canada's NATO policy and attitude should be based. On that subject he spoke as follows:

"I have said recently, and I repeat it in conclusion today, that we are approaching the most difficult period in the building of NATO as our strongest deterrent against war, the period when the sense of immediate crisis has eased somewhat in Europe and when the economic and financial burden of the collective security programme which has brought about this easing, is becoming heavier.

"During this period I feel that our policy and our attitude and our aims in Canada should be based upon the following considerations:

"Recognition that the primary objective of our coalition is to secure adequate defensive military strength, but that each step to achieve this should be related to economic and political circumstances;

A HEALTHY ECONOMY

"Recognition that a strong and healthy economy is necessary for the success of our NATO defence effort;

"Recognition that, while the military leaders have great responsibilities and their influence must be great, nevertheless NATO is more than a military alliance, and in democracies such as ours the civilian representatives of the people are in control;

"Recognition of the leadership and the tremendous contribution made by the United States to our peace coalition; that we should not unfairly disparage that leadership or minimize that contribution. But recognition also that NATO is a partnership and that each partner has the right and duty to express itself frankly on issues that arise and that there can be no question of one member of the coalition insisting on his own point of view;

"Recognition, finally, that our collective effort to achieve adequate military strength is not an end in itself, but merely a means to an end, the establishment of peace through the solution by negotiation of political problems.

"In the long run, not by the acquisition, but by the use of our strength, we shall be judged."

Mr. P.E. Wright, the CCF member who had moved the amendment under discussion, asked, Mr. Pearson said, "What has Canada done to establish economic stability in Europe to date?" Mr. Pearson then proceeded:

"I would like to read out a list of the total amounts Canada has provided in various forms of economic aid since the war--that is,

from the fiscal year 1945-46 up to and including the fiscal year 1951-52. Postwar financial and economic assistance during those years, in the form of credits--and that is economic assistance to Europe--amounts to \$1,753 million. In the form of postwar military relief, it amounts to \$95 million. By way of contributions to United Nations' relief and rehabilitation agencies and assistance programmes it amounts to \$203 million. In connection with the Colombo plan the figure is \$25,300,000; and to NATO, up to the present time, by way of mutual aid and other contributions the figure is \$324,800,000. Then there was an emergency gift of wheat to Greece of \$830,000. This makes a total, of all aid given by the people of this country to those who needed it, of \$2,403 million."

Then, dealing with questions addressed to the Government as to what actually happened at the Lisbon meeting in respect of the request for economic aid, the Minister said in part:

ECONOMIC AID

"I should like to discuss this request for economic aid, about which we have heard so much. As has already been reported, the executive bureau of the T.C.C., known as the three wise men approved of the general shape and size of our military programme in their first report. They did, however, suggest for consideration by the Canadian Government that in 1952-53, the current financial year, we should provide mutual aid of \$250 million over and above our proposed programme of approximately \$225 million which we had already submitted to them. That would have meant a total of \$475 million for Canada for this year's NATO mutual aid. If we add in the contribution under the Colombo plan and other items it would have meant for us total foreign aid of well over \$500 million.

"The Government considered these proposals of the three wise men and decided that in present circumstances the amount was too high; too high in relation to our balance of payments, which is already supported by borrowing abroad at a rate in excess of \$600 million a year, and indeed too high in relation to the United States itself. Indeed those figures might have meant that Canada would have been budgeting for foreign aid in larger proportion than other great nations such as the United States, and this despite the far greater per capita wealth and the stronger trading position of the United States, and despite its responsibility as a creditor nation and as the leader of our coalition. The Government, however, did decide before Lisbon that it could go beyond our original programme for mutual aid as submitted to the wise men. As a result, after a good deal of consideration, we decided to recommend a mutual aid programme for 1952-53 of some \$325 million, a figure which has already been announced and, as it happened,

is almost exactly the same figure as we have up to the present spent on mutual aid for NATO. Therefore, the total amount for foreign aid in the estimates, including the Colombo Plan and other items, amounts to some \$360 million for the current fiscal year. Considering all the circumstances, Mr. Speaker, I believe that this compares favourably with what any other country is likely to do...."

Mr. Pearson also touched again on Formosa, Korea and the question of a Pacific Pact.

Other members to participate in the discussions of April 1 were; Mr. Stanley Knowles (CCF-Winnipeg North Centre), Mr. J.M. Macdonnell (PC-Greenwood), Mr. F.D. Shaw (SC-Red Deer), Mr. G.F. Higgins (PC-St. John's East), Mr. E.G. Hansell (SC-Macleod) and Mr. D.S. Harkness (PC-Calgary East).

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ATOMIC POWER PLANTS: "Within the past year our experience in research, development and operation has made us feel that the large-scale industrial application of atomic energy is closer at hand than we had expected," the Minister of Trade and Commerce and Defence Production, Mr. C.D. Howe, announced in the House of Commons on March 31 in discussing the new Crown Company, Atomic Energy of Canada, Limited.

"At the moment," he proceeded, "there are two broad areas of chief interest, namely isotope application and industrial power. Much has been said about applications of isotopes and isotope techniques in industry, in medical science, and in research and development. Large scale practical uses for isotopes are developing rapidly, in Canada as well as in the United States and Great Britain. During the past year the Chalk River plant has made over 800 shipments of more than seventy different radioactive isotopes, to industries, to universities, to research institutions and to hospitals, and it is expected that this business will expand rapidly in the immediate future. There are many who feel that the dividends from the isotope field alone may well repay all the money spent for atomic energy.

"In the other broad field of industrial power, the developments in the past two years have been equally rapid. Hon. members may have noted in the press that the atomic energy Commission of the United States has announced the awarding of five commercial contracts for the development of prototype power plants for use in submarines and aircraft. While no active steps have as yet been taken in Canada to design and build complete power plants, studies of the component parts that will be necessary to the solution of the overall project are being made. It is hoped that within the next ten years we may see in this country, as well as in the United States and the United Kingdom, the first atomic energy power plants in commercial use...."

AID FOR INDIA: No official report of any recent deterioration in the food situation in the State of Madras, India, has reached the Canadian Government, nor has any special appeal been made to Canada by the Government of India, the Secretary of State for External Affairs, Mr. L.B. Pearson, said in the House of Commons on March 31 in answer to a question by Mr. A. Earl Catherwood (PC--Haldimand).

Mr. Pearson added:

"However, the hon. member will be aware that we are in close touch with the Government of India in respect of the use to be made of the funds that we have made available to India in connection with the Colombo plan. Ten million dollars from those funds have been used to purchase wheat for India. That wheat is now arriving there and no doubt will be directed by the Government of India through normal distribution channels to the areas where it will be most useful."

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1951 LABOUR INCOME AT NEW PEAK: Estimated total of salaries and wages and supplementary labour income reached an all-time peak of \$9,641,000,000 in 1951, exceeding by 17 per cent the previous high of \$8,271,000,000 in 1950. In December, labour income advanced 13 per cent to \$837,000,000 from \$738,000,000 a year earlier. Increases were recorded in all industries both in the month and 12-month period.

Year's estimated total for manufacturing industries amounted to \$3,250,000,000 as against \$2,753,000,000 in 1950, and for utilities, transportation, communication, storage and trade, it was \$2,466,000,000 against \$2,134,000,000. In finance and services, including government, the 12-month total amounted to \$2,088,000,000 against \$1,867,000,000 the year before.

Labour income in the primary industries -- agriculture, forestry, fishing, trapping and mining--- in 1951 amounted to \$783,000,000.

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TOUR OF U.S. OFFICERS: Eighteen senior United States Army officers arrived at Rockcliffe airport on March 30 and began a seven-day tour of central Canadian military and industrial installations.

Purpose of the tour, the second of its kind, is to show selected senior US officers Canadian Army practices and procedures and to give them a picture of Canada's productive capacity and industrial potential.

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"IROQUOIS" TO KOREA: HMCS Iroquois will sail from Halifax on April 15 for the Korean war theatre, where she will relieve HMCS Cayuga it has been announced at Naval Headquarters. It will be the Iroquois' first tour of duty in the Far East.



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

EXTERNAL AFFAIRS DEBATE: Canada's commitments under the North Atlantic Treaty Organization are one infantry brigade and 11 air squadrons, as announced on October 22 last by the Minister of National Defence, plus one additional squadron, announced February 26, for which parliamentary approval has yet to be secured, in addition to which Canada this year will contribute \$324,000,000 in mutual assistance and \$27,000,000 as her share of the programme of collective facilities, such as airfields. The Secretary of State for External Affairs, Mr. L.B. Pearson, made this announcement to the House of Commons on March 21 in launching the annual debate on external affairs.

Mr. Pearson was followed in the discussions of March 21 by Mr. Gordon Graydon (PC-Peel), Mr. M.J. Coldwell (CCF Leader), Mr. Solon Low (Social Credit Leader), Mr. F.H. Larson (L-Kindersley) and Gen. G.R. Pearkes (PC-Nanaimo).

The debate was resumed on March 25 when Mr. Jean Lesage, Parliamentary Assistant to the Secretary of State for External Affairs, gave the House an extended review of the results of the Sixth Session of the General Assembly of the United Nations, together with a review of assistance to under-developed countries. Mr. Howard C. Green (PC-Vancouver-Quadra) followed, and then Mr. P.E. Wright (CCF-Melfort), who, declaring that the Government had "put all its eggs in the one basket of military defence without making any comparable contribution toward economic aid" to our European NATO

partners, moved the following motion, seconded by Mr. Stanley Knowles (CCF-Winnipeg North Centre);

"This House regrets that the Government has failed to take effective steps to achieve the implementation of article II of the North Atlantic Treaty."

He then read the text of Article II of the North Atlantic Treaty, as follows:

"The parties will contribute towards the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them."

Mr. Pearson interrupted at one point in Mr. Wright's speech to ask did he "consider that \$300 million which is being voted in our estimates for mutual aid this year is an aid to our NATO partners?" Mr. Wright replied:

"The Minister is talking about mutual aid. We are asking that it be extended, not that the insurance be dropped. The Prime Minister criticized those who join in objection to the sacrifices and deprivations without which we cannot have security. Let me point out that we are not complaining about the sacrifices. We are prepared to support greater sacrifices if need be...."

JANUARY EXPORT SURPLUS: Canada had a credit balance on foreign trade account with all countries of \$21,000,000 in January -- fifth export surplus in as many months -- as compared with a debit balance of \$38,400,000 in the corresponding month last year. Total exports rose about 14 per cent to an all-time record value for January, while total imports were down six per cent from last year's high January value.

Gains in both volume and prices contributed to the rise in the value of domestic exports in January over a year earlier. Prices advanced 7.6 per cent and the volume increased 5.5 per cent. In contrast, prices of imports were slightly lower than a year earlier, and the volume declined 6.3 per cent.

Trade with the United States produced an import surplus of \$37,600,000 in January as compared with \$43,000,000 a year earlier, while there was an export balance of \$19,300,000 in trade with the United Kingdom, three times as large as last year's corresponding total of \$6,200,000. There were also substantial credit balances in January in trade with the group of Latin American countries and with European countries as a whole.

Merchandise imports from all countries in January were valued at \$307,100,000, up from \$273,000,000 in December, but down from \$327,200,000 in January last year. Domestic exports totalled \$323,700,000, down from \$379,300,000 in December, but up from \$285,100,000 a year earlier. Rounding out the trade picture were foreign exports valued at \$4,400,000 as against \$5,700,000 in December, and \$3,700,000 a year ago.

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LABOUR-MANAGEMENT COMMITTEES: At the beginning of 1952, there were 789 Labour-Management Production Committees, covering 306,427 workers, in operation throughout Canadian industry, compared with 346 at the end of World War II and 641 at the beginning of 1950, the Minister of Labour, Mr. Milton F. Gregg, announced on March 20.

The Minister suggested that this marked growth in the numbers of Labour-Management Production Committees since the end of World War II indicated the growing realization by both labour and management that joint consultation on production problems was of mutual benefit.

The Labour-Management Production Committee consists of representatives from both management and labour and operates in an advisory capacity on matters affecting industrial productive efficiency. Its purpose is to encourage production and improve efficiency, not through "speed-up"; but by development of greater understanding, confidence, and a spirit of co-operative partnership. These committees do not deal with subjects normally dealt with by collective bargaining, explained Mr. Gregg.

OLD AGE ASSISTANCE AGREEMENTS: The federal Government has just completed agreements with two more Provinces--Ontario and Nova Scotia-- and with the Northwest Territories for sharing the costs of old age assistance for persons between 65 and 69 years of age and for allowances for the blind over the age of 21. An agreement covering blindness allowances only has also been completed with Newfoundland.

This was announced on March 20 by the Minister of National Health and Welfare, Mr. Paul Martin, who said that agreements were completed previously with British Columbia, Alberta, Saskatchewan and Quebec for both old age assistance and blindness allowances and with New Brunswick for old age assistance. All agreements are retroactive to January 1, 1952. Agreements with several other provinces are being negotiated.

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EXPORTS STILL RISE: A summary of foreign trade figures for February released by the Dominion Bureau of Statistics shows an increase in the value of Canada's total domestic exports to \$309,700,000 from \$233,900,000 in February last year, and an increase in estimated total imports to \$282,100,000 from \$274,200,000.

Domestic exports to the United States rose to \$168,800,000 from \$152,400,000, and to the United Kingdom advanced to \$43,600,000 from \$33,600,000. Estimated imports from the United States increased to \$212,200,000 from \$199,000,000, but from the United Kingdom were down to \$21,200,000 from \$27,800,000. February import figures are only preliminary.

* * * *

FARM AREA 174,046,654 ACRES: Total area of Canada's occupied farms was slightly greater in 1951 than in 1941, increases in area in the Prairie Provinces and British Columbia outweighing by a narrow margin decreases in each of the eastern provinces, but the total number of farms was considerably smaller, with decreases in number in every province except British Columbia, according to a special compilation of final figures of the 1951 Census of Agriculture on number and area of farms released by the Dominion Bureau of Statistics.

Canada's total occupied farm area in June last year was 174,046,654 acres. This compares with 173,566,063 acres reported in the 1941 Census. Excluding Newfoundland, for which 1941 figures are not available, the 1951 total shows an increase of 395,551 acres or 0.2 per cent over that of 10 years earlier.

* * * *

MANUFACTURING WAGES SURVEY: The Dominion Bureau of Statistics has released its report for 1950 of a special annual survey of earnings and hours of work of wage-earners and salaried employees in manufacturing, supplementing the monthly data on these subjects.

INTERNATIONAL TRADE FAIR

The Canadian International Trade Fair this year will introduce Canadian business men to the first large-scale production of basic chemicals in Canada. A Canadian chemical company is exhibiting at the Fair for the first time to acquaint Canadian manufacturers with the fact that a new plant will be in production in Edmonton this year.

The Fair will contain a display of Canada's industrial might that will probably surpass in size and scope any show held previously in this country. Canadian space bookings in the section devoted to machinery and plant equipment is already more than double last year's total of 14,000 square feet, and will likely be about three times as great by the time the two-week Fair opens June 2. Eight other countries have also reserved space in this section.

More than twice as much space as last year in the Electrical Equipment section has already been taken this year, to show a diverse selection of products from a number of countries. Canadian space bookings in this section, as in almost every other trade category this year, lead the field. Other countries so far represented with electrical equipment are England, Sweden, Germany, Denmark (a newcomer to the Trade Fair), and Belgium. Almost 7,000 square feet of space has been booked in this section to date.

Products to be exhibited which fall generally into the category of household furnishings and appliances cover an extremely wide range of items of interest to the householder as well as institutions such as hospitals and hotels. This category will be one of the most attractive of the show, and will be much more representative of Canadian production than last year.

Canadian space bookings in the sections devoted to smallwares and building materials and supplies are already greater than last year, reflecting the important emphasis throughout this year's show on Canadian products. Canadian exhibitors have already taken a total of 69,000 square feet, close to twice as much as last year.

A wide range of textiles, including clothing, is always exhibited by many countries at the Fair, and this year will be no exception. So far textile manufacturers in six countries have booked a total of almost 7,000 square feet of space to show piece goods, fabrics and clothing of many different types

HUNGARY PROPERTY DECREE: The Department of External Affairs announced on March 21 for the information of residents of Canada who own property in Hungary, that on February 17, 1952, the Hungarian authorities published two decrees to the effect that property such as dwelling houses or apartment houses, villas, flats, business premises, factory buildings, workshop buildings, warehouses, etc. utilized either wholly or in part as sources of income by letting, would be nationalized.

The decrees also provide that if the owner is not living permanently in the house owned by him - or in part of the said house - all movables belonging to him stored in the said house will also pass into the possession of the State.

According to these decrees, the owner, or in his absence, his agent or the oldest tenant, had to register such property with the Executive Committee of the appropriate local Council in Hungary within three days of the decree coming into force and appeals were to be filed in writing with the above-mentioned Committee not later than March 11.

An ordinance published on March 4 by the Hungarian authorities extended for foreign nationals living abroad the time limits for registration and appeal to 30 and 60 days respectively, the periods being dated from March 4. To take advantage of this new ordinance, owners must prove that they were prevented from complying with the original time limits.

Claims for compensation must be submitted in writing to the Executive Committees between April 15 and 30, 1952.

The Government of Canada, in association with the Government of the United Kingdom, has already made representations to the Hungarian authorities in reserving the rights of its citizens and has requested that adequate and prompt compensation be paid to Canadian claimants whose property would be nationalized under the decrees.

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MR. M.W. MACKENZIE RESIGNS: The Prime Minister, Mr. St. Laurent, announced on March 21 that Mr. Maxwell W. Mackenzie, C.M.G., Deputy Minister of Defence Production, has submitted his resignation to be effective May 1, 1952, in order that he may accept a position in private industry, and that Mr. Reginald M. Brophy, presently Co-ordinator of Defence Production, has been appointed Deputy Minister of Defence Production, also effective May 1, 1952.

Mr. Brophy, a Montreal born industrialist, came to Ottawa in October, 1951, as a dollar-a-year man to assume the position of Co-ordinator of Production. Mr. Brophy is Chairman of the Board and President of Rogers Majestic Electronics Limited, and has had wide experience in industry.

POST WAR RESOURCES DEVELOPMENT

GOLD, NICKEL IRON, OIL: "Records of production that have been achieved by the present programme of development of our natural resources are merely a step along the way of realizing our vast potential. Some of the most spectacular projects are still in what may be described as the 'tooling-up' stage as we lay solid foundations for future expansion."

Addressing a dinner meeting of the Canadian Club of Shawinigan Falls and Grand' Mère, at Shawinigan Falls, P.Q., on March 19, the Minister of Resources and Development, Mr. Robert H. Winters, outlined the broad, nation-wide scope and the highly diversified nature of the combined activities of labour and capital, of private enterprise and governments searching out and developing Canada's natural wealth.

MAJOR DEVELOPMENTS

"Major developments," he added, "are taking place from coast to coast, and some of the most important are centered on the fringe - and beyond the fringe - of present day settlement. In the Northwest Territories and Yukon, problems of weather, distance, and transportation are being solved to bring rich mineral resources within reach. Four mines in the Yellowknife District of the Northwest Territories produced over \$7,500,000 in gold during 1950.

"Nickel and copper deposits located on Arctic and eastern Arctic shores are being re-examined. At Pine Point, on the south shore of Great Slave Lake, lead-zinc deposits are undergoing thorough exploration as the potential site of a really large-scale mining operation. A total of 1,099 mineral claims were staked in the district during the past year.

"Hydro-electric power for the development of resources and industrial expansion is being produced at an unprecedented rate, and still,

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TECHNICAL ASSISTANCE PROGRAMME: Mr. Arthur MacNamara, Deputy Minister of Labour, speaking in his capacity of Canada's Permanent Representative on the Governing Body of the International Labour Organization, last week reviewed the part being played by Canadians in the International Assistance programmes.

Mr. MacNamara pointed out that for some considerable time Canadian experts in various fields have gone abroad, either under the U.N. Technical Assistance Programme or the Technical Co-operation programme which is part of the Colombo Plan. Up to the present time some 25 experts had given their services overseas, some for periods as short as two months, others for as long as two years. Seven of these men were selected by the International Labour Office to fill assignments in various countries under the U.N. Technical Assistance

with 13,340,774 h.p. capacity installed, we have harnessed barely one-quarter of our known potential.

"The years 1953-55 are highly significant in the programme of resources development. It is estimated that within this period, iron ore production north of Lake Superior may be tripled, to reach 10 million tons annually. From Labrador-Ungava it is expected that iron ore shipments will begin in 1955 with an initial annual output of 5 million tons. Given the St. Lawrence Seaway, production from these vast deposits might reach 20 million tons annually.

NICKEL-COPPER DEPOSITS

"Extensive nickel-copper deposits at Lynn Lake in northern Manitoba should be brought into production by 1953 with the expectation of attaining an annual output of 8,500 tons of nickel and quantities of copper sulphide and cobalt by 1955. The Aluminum Company of Canada project in British Columbia is expected to bring in from 80,000 to 100,000 metric tons of new aluminum capacity by 1955.

"It is estimated that more than 1,700,000 h.p. of new hydro-electric capacity will be brought into operation before the end of 1953 and an additional 2,000,000 h.p. by the end of 1955.

"Oil production, has been increased in five years' time from the point of supplying only 10 per cent of our domestic requirements, to the equivalent of close to 50 per cent today, and the story is still unfolding.

"Our first duty is the assumption of our full share of the free world's defence preparedness, and the expansion of our resources development stands as a direct contribution to the collective security of the peoples of the western world. . . "

Programme. Of this number, one, Dr. E.P. Langer, of the Unemployment Insurance Commission, Ottawa, had completed his assignment and returned home, the other six were still abroad.

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DEFENCE COLLEGE EUROPEAN TOUR: Twenty-four students and a directing staff of five officers from the National Defence College at Kingston will leave Ottawa on March 31, on a European-Middle East tour. The party, under the command of Air Vice-Marshal C.R. Dunlap, National Defence College commandant, will arrive in London on April 1 and will spend two weeks there. One group will spend another week visiting industrial centres in Britain and will then tour western European countries. The other group will tour Middle East countries.

(Continued from p.1)

EXTERNAL AFFAIRS DEBATE

The debate on external affairs was continued on March 25 by Mr. Victor Quelch (SC-Acadia), Mr. J.A. Bradette (L-Cochrane), Mr. Paul E. Gagnon (Ind-Chicoutimi), Mr. Maurice Bourget (L-Lévis) and Mr. W.J. Browne (PC-St. John's West). Mr. George Drew, Progressive Conservative Leader, speaking on March 27, said his party would not support the C.C.F. motion.

There was general agreement in principle with NATO objectives, and Mr. Wright's motion contained no criticism of the defence pact, nor of the military side of Canadian participation.

In the speech with which he opened the debate on March 21, Mr. Pearson dealt mainly with the situation in Korea and with United Nations' action there, and with the North Atlantic Council meeting at Lisbon. The Government, he said, would continue to support United Nations' action in Korea, but did not support "any policy or action which would extend that war to China without the assurance that such policy or such action would end it in Korea, unless the proposals in question were required by immediate military necessity and in order to ensure the safety of the UN forces in Korea, which include Canadian forces." The Government supported the decisions reached by the North Atlantic Council at Lisbon.

UN POLICIES IN KOREA

He reiterated previous declarations on United Nations' policies in Korea and on the desirability of bringing the war in Korea to an end on honourable terms; and proceeded to review at some length the work of the North Atlantic Treaty Council meeting in Lisbon.

"...We resolved at Lisbon," he said, "that an appropriate NATO agency, not an ad hoc committee but an appropriate permanent agency of NATO-- perhaps part of the secretariat, but that is to be worked out--should continuously review the requirements for building adequate defensive strength, and try to reconcile the military needs of the countries concerned with their political and economic capabilities. Surely, Mr. Speaker, that does not look as though the military are running away with our planning in NATO, or as though NATO has fallen completely under their control or under any sinister influence of any kind..."

"This question of Germany, which loomed so large in our minds at Lisbon and must continue to loom large in our minds in all the free countries, is very difficult, complicated and indeed explosive. There are two extreme trends which might develop dangerously in Germany at the present time. On the one hand there is the revival of militarism, nazi militarism; and there is the other extreme, the rejection of all defence responsibilities by the Germans and the creation of a power vacuum in the centre of Europe.

"We know what happens when a vacuum of that kind is created. We have a pretty good idea who would try to move into that vacuum in present circumstances. Nevertheless the fact remains that Germany, as I see it, is bound to become stronger and is bound to become united ultimately. Surely it is better that this should be done in association with the Atlantic powers than in isolation, or on a purely nationalistic basis, or in association with the communist east which would have no scruples about a Germany armed to the teeth, with nazi leaders back in harness, provided that was done by a communist government under Moscow orders.

Despite difficulties, however, he said, "I think we can be reasonably optimistic that as a result of our Lisbon decision, which makes this progress possible, Germany will be satisfactorily associated with western defence and in that way with the North Atlantic Treaty Organization before very long."

The Minister dealt with the reorganization of NATO, stating that very little had been done in the field of non-military co-operation and, expressing his disappointment on that score, concluded as follows:

NATO MILITARY GOALS

"Summing up, I would merely say that our military goals in NATO must remain--and we all agree on this--the minimum necessary for defence; and they must be reached, if possible, in such a way as not to prejudice the economic and social stability of those countries which are not yet strong enough to sustain the high costs that would be entailed by too large a military programme--costs which might have been much lower before the war and much easier for them to undertake then. I am thinking now particularly of the European countries.

"We must not sacrifice and we are not sacrificing our social, political and economic objectives to an exaggerated and false emphasis on armaments. I believe that there is nothing exaggerated, false, militaristic or provocative in our plans or our programmes. The burden of carrying out these programmes and these plans has, I think, been quite fairly distributed. But we must also remember that in attacking NATO the Communists have concentrated on two things, and they are the enemies of NATO. They have concentrated on the danger of German rearmament and the unnecessary militarization of the West, with its consequential unnecessary tax burden, which they allege is being forced on the rest of us by United States power policy. By this propaganda they hope to isolate Germany from the West and, far more important, they hope to isolate the rest of us from the United States. I suggest that we in this country, as elsewhere, must be on our guard against these divisive and dangerous tactics and must do our best to defeat them.

"This Government feels strongly that we must continue building up steadily and unprovocatively in NATO, and in accordance with realistic programmes, the strength necessary to neutralize and to defeat, if we are forced to fight it, Russian communist aggression. We think that this policy remains the best deterrent to war, and we are not weakening in our support of it. We also recognize, however, that the menace is more than military. It might also express itself in economic and social strains which will at once be exploited by the communist conspiracy--a conspiracy with agents in every land and designed to undermine and to destroy our western Christian civilization which is based on human freedom, cooperation and tolerance and then to replace it by totalitarianism, autocracy, and a brutal police state.

"I believe that we made good progress at Lisbon in the organization of collective security. I think the decisions we took there were wise and realistic. I hope that we shall all be able to agree in this Parliament to support these decisions and to move steadily ahead to achieve our objective of a peace which will mean something more than merely the absence of war. A NATO policy based on a programme of adequate but no more than adequate defence, on the desirability of doing everything possible to develop a sense of community and partnership, and which also takes into account the necessity of acting effectively to promote greater human welfare is, I believe, one that should and will command the support of all parties in this House and of the great majority of the Canadian people, in the future as it has in the past."

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ARCTIC RE-SUPPLY: Air re-supply operations to the joint Canadian U.S. weather stations in the Arctic are expected to begin early in April, it was announced simultaneously in Ottawa and Washington on March 24.

The Arctic weather stations are operated by the Meteorological Services of the Canadian Department of Transport and the U.S. Weather Bureau, and are manned by equal numbers of personnel from each Government.

Flights will be made to weather stations at Mould Bay on Prince Patrick Island, Isachsen on Ellef Ringness Island, and to Alert and Eureka, both on Ellesmere Island.

The weather reporting programme from these Arctic stations includes surface observations several times daily as well as upper air conditions to heights of sixty thousand or seventy thousand feet. Basic meteorological data obtained from the stations is of fundamental importance in the development of the science of meteorology and is of assistance to research meteorologists in their attempts to solve the innumerable problems of weather movements.

AMBASSADOR OF PERU: The Department of External Affairs announced on March 27 that Mr. German Fernandez-Concha had presented to His Excellency the Governor General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Peru to Canada.

Mr. Fernandez-Concha was born at Lima in 1906. He was engaged in agriculture for many years and holds the degree of B.Sc. in agriculture from the University of Maryland. In March 1949, he was appointed Minister and Commercial Counsellor at the Peruvian Embassy in Washington, a post which he held until his appointment as Ambassador to Canada.

While at Washington, Mr. Fernandez-Concha represented Peru in a number of international economic conferences and organizations and was at one time a Governor of the International Bank for Reconstruction and Development.

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GREAT LAKES LEVELS: The Government will give consideration to the suggestion of an inquiry into the causes and effects of high water levels in Lake Ontario, the Prime Minister, Mr. St. Laurent, advised Mr. Donald M. Fleming (Eglinton) in the House of Commons on March 21.

"Will the Government undertake an inquiry into the causes, as well as the present effects, of high water levels in Lake Ontario, which are very serious and are causing extensive deterioration; and will the Government give consideration to having such inquiry made by the international joint commission?" Mr. Fleming asked.

Mr. St. Laurent: "The Government will give consideration to the remarks made by the hon. member. I will not attempt to commit the Government as to what may be the result of the consideration. There are some occurrences in nature over which the Government does not pretend to have any control."

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PUBLIC LIBRARIES SURVEY: Canadian public libraries had a busy year in 1949, book stocks, number of registered borrowers, and circulation, all rising to new highs, according to the biennial survey released by the Dominion Bureau of Statistics. As compared with 1947, the number of books on public library shelves increased by 400,000, registered borrowers by 50,000, and circulation by 2,500,000.

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OIL BOOM CONTINUES: Some 200 oil-drilling rigs are now operating in Alberta and British Columbia, a 75 per cent increase over the previous year. Oil fields in these two provinces can now produce 50 million barrels a year. Present refining capacity in Canada is estimated as 389 thousand barrels a day. (Foreign Trade)



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WEEK'S EVENTS IN REVIEW

MR. ST. LAURENT ON SECURITY: Speaking at the Centenary Dinner of St. Michael's College in Toronto on March 16, the Prime Minister, Mr. St. Laurent, warned Canadians not to be lulled into a false sense of security by the precautions already taken and said, "We must be ready to keep up the insurance, much as I hope we may never have the fire."

"I believe it is no exaggeration to say that never before in recorded history has there been a tyranny more ruthless, more pervasive, better endowed with recourses which can be employed for destructive ends, or more resolute to extirpate all traces of freedom of mind and soul, either institutional or individual, than the tyranny of the Soviet State," he said.

"Soviet Russia has, moreover, in the Communist doctrine, both an insidious and specious appeal to the natural human craving for social justice for all sorts and conditions of men, and the most powerful engines of modern propaganda to spread that doctrine.

"Communism is all the more dangerous because it remains a dynamic faith for its deluded followers, and because they believe they are on the side of real progress. At the present time there is an uneasy balance between the areas dominated by Soviet Imperialism and the Western World with its free and Christian traditions.

"In the free world most of us have recognized that our very survival depends upon having enough combined strength at least to maintain that uneasy balance.

"We Canadians through our Government and our Parliament have pledged ourselves to do our share with other free nations to build up and keep up sufficient armed strength to maintain that balance. Of course, none but the blindest would consider the folly of trying by force to destroy the Soviet State, because we know too much else would be destroyed in the universal holocaust.

"But most Canadians realize that armed strength is an indispensable bulwark behind which the free nations can hope to preserve a way of life in which there remains scope for the development of the free spirit of men and women.

"The foundations of combined strength we have already laid in the free world have given us a greater sense of security and grounds for hope that the war all decent people dread can be prevented. I regret to say the precautions we have taken seem to have lulled some honest souls in our midst into a false sense of security, and to have induced them to join in agitation against the sacrifices and deprivations without which we cannot have any security.

"As our hopes of keeping the peace rise, as our sense of security grows, we in the free world are facing the greatest test of our understanding, our resolution and our patience. It is so easy to forget why we feel more secure and so easy to forget to pay the premiums on the insurance or even to ask ourselves whether we still need it. I myself am convinced that if we are not to lose the security now coming within our grasp, we must be ready to keep up the insurance, much as I hope we may never have the fire.

"I repeat that in the world we are living in, armed force is indispensable to the security of the nations that want peace....

"That does not mean that armed strength alone is enough to give us the security and lasting peace people yearn for. To say so, especially in an academic community, would be blasphemy. We need as well all those resources of the spirit which, I believe, are the hallmark of the superiority of our free way of life in the eyes of God as well as of man.

"This so-called cold war is not just an armament race or a test of material strength. It is also a struggle for men's minds. We must certainly re-arm, but we must cherish and develop all those resources of the spirit which derive from our classical and our Christian heritage. We must deepen our convictions of the true worth of our way of life and our conviction that we are really on the side of human progress...."

* * * *

POWER RESOURCES 50,000,000 H.P.: "The presently recorded water-power resources of Canada are now shown as totalling more than 29 million horse-power under conditions of low stream flow and 50 million horse-power at average flow, the latter figure representing a feasible turbine installation of over 65 million horse-power," the Department of Resources and Development has reported.

"The total turbine installation at the end of 1951 is given as 13,342,504 h.p. indicating that only slightly more than 20 per cent of available resources has been developed.

"During 1951, hydro-electric construction was very active with 881,250 h.p. of new capacity coming into operation and with good progress being made on other new developments; additional projects also were being investigated or planned.

"Of hydraulic plants, 89 per cent serve as central-electric stations and, in 1951, production reached a new high level. The pulp-and-paper and the mineral industries are the more important consumers of hydraulic power.

"The installed capacity of water-power plants in Canada now equals 952 h.p. per thousand of population."

HOST TO 24,900,000: First estimates of 1951 travel between Canada and other countries by the Dominion Bureau of Statistics indicate that Canada last year was host to more visitors from other countries than in any year except 1948 and that the year was a record one for Canadian travel abroad.

More motorists entered the country in 1951 than ever before. Other visitors, contrary to the trend of the previous year, were also more numerous, the number of travellers arriving by train advancing for the first time in six years and entries by air continuing to increase. Total number of 24,900,000 visits was exceeded only by the record 25,100,000 visits three years earlier.

Number of visitors from the United States was six per cent higher, in sharp contrast to a three per cent drop in 1950 and 1949. Traffic from overseas countries likewise increased, with a substantial gain in the number of visitors from western Europe.

VISITORS SPENT \$271,000,000.

All told, Canada's visitors spent \$271,000,000 in the country last year, a slight drop of one per cent from 1950's total of \$275,000,000, and down from the peak figure of \$285,000,000 in 1949. Travel receipts from overseas countries rose to \$16,000,000 from \$15,000,000 in 1950, but those from the United States declined to \$255,000,000 from \$260,000,000.

Canadians visited other countries, particularly the United States, in greater numbers than in any previous year, and their estimated expenditures reached a record peak of \$280,000,000. This was an increase of \$54,000,000 from the 1950 total of \$226,000,000, and more than double the expenditures of 1948 when Canadian travel and travel expenditures in the United States were sharply curtailed by the emergency exchange conservation measures.

Canadians spent an estimated \$246,000,000 in United States last year as compared to \$193,000,000 in 1950, and \$34,000,000 in other countries as against \$33,000,000. Canadian shopping in the United States was an important item in the increase in total expenditures across the border, purchases declared under the \$100 customs exemption amounting to \$46,800,000, 43 per cent higher than in the same period of 1950.

Travel between Canada and the United States resulted in a credit balance of \$9,000,000, down from \$67,000,000 in 1950. In travel account with other overseas countries Canada, as usual, had a debit balance which amounted to \$18,000,000, unchanged from the previous year.

FIRST YEAR'S DEFENCE SPENDING \$900,000,000.

MR. HOWE'S REVIEW: Reviewing the progress made to date on Canada's three-year, \$5 billion defence programme, the Minister of Defence Production, Mr. C.D. Howe, told the House of Commons on March 14 that of about \$1,100 million earmarked for expenditure on military equipment and installations during the current fiscal year about \$200 million would remain unspent.

"I shall discuss the reasons for that short-fall in expenditure," he said, "but before doing so it may be worth emphasizing at the outset that it is not the result of a deliberate slow-down in the pace of preparedness. We set out to try to complete and pay for one-third of the three-year programme in one year. That was an ambitious undertaking, perhaps too ambitious considering the specialized nature of the Canadian programme, and the resulting need for extensive preparation and tooling-up before the production stage could be reached.

SIGHTS SET HIGH

"The sights were set high deliberately so that there would be continuing pressure to do better; that pressure has never been relaxed. While there have been changes in the content of the programme, and while some production schedules have experienced delays running as long as several months, I have every reason to believe that within the three-year period we shall do in physical terms, in terms of construction put in place and quantities of supplies and equipment produced and delivered, what we set out to do and probably somewhat more, for we have taken on additional commitments in the meantime.

"There are a number of reasons why we shall not spend quite as much as was appropriated in the current fiscal year. There is no single cause, and indeed it is difficult to assess the effects of the different causes. One, of course, is the delays experienced in the procurement of equipment that was to be purchased outside of Canada. I am not blaming other countries for those delays. They have encountered much the same problems we have.

"Another is the fact that we were unable to get an important section of our weapons and ammunition programme under way until recently because specifications had not been received. Then, you will probably have heard a great deal about the shortage of machine tools in the United States. Mr. Charles E. Wilson, head

of the mobilization effort in that country, in his fourth quarterly report to the President dated January 1 of this year said: 'Despite everything that has been or can be done to increase production, machine tools will remain the most important factor limiting military production for many months to come.'

"That shortage has had a direct effect on the progress of defence preparations here in Canada. In spite of the growth of our own machine tools industry, Canada continues to depend heavily on imports from across the line.

"Looking back, knowing what could not be known a year ago, it is easy to show -- and I have no hesitation in saying -- that there are some things which should have been done differently. That is the advantage of hind-sight. On the whole, however, I submit that the programme for which the Department of Defence Production is responsible is away to an excellent start. This first year has been used to good advantage....

YEAR OF MAKING READY

"It was essentially a year of making ready. It was a year devoted in large measure to designing and engineering, to tooling-up, to organizing and recruiting, to testing and modifying -- preliminary tasks which must be undertaken and accomplished before the production lines can roll. In many respects this stage of preparation is even more important under present circumstances than the later stage of production, for our aim is not to produce the maximum number of aircraft or electronic equipment, or ships, or guns as quickly as possible. Rather it is to produce in the next few years enough of these instruments of warfare to bring our defences and the defences of our allies up to what is considered to be an adequate level, and to be ready in the event of all-out war to produce at full blast.

"As I have already indicated, the Department of Defence Production will probably spend about \$900 million more or less during the present fiscal year. Until the results for the month of March are in, I cannot give a detailed breakdown of these expenditures for the year. Roughly speaking, however, about three-quarters represents expenditure in Canada and one-quarter expenditure in the United States. Half of the purchases from the United States will be for aircraft, engines and parts...."

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RECORD MINING PRODUCTION: Addressing the Montreal Branch of the Engineering Institute of Canada on March 13, the Minister of Resources and Development, Mr. Robert H. Winters, announced that last year Canada mined a record \$1,228,000,000 worth of strategic and other minerals; the mining industry's output was comprised of at least 65 different mineral

products.

Canada ranks first, he said, in production of the world's nickel, asbestos, and the platinum metals; second in aluminum, zinc, gold, cadmium, selenium, tellurium, and, probably, radium and uranium; third in silver; and fourth in production of lead, copper and cobalt.

MR. HEENEY AMBASSADOR TO NATO: The Prime Minister, Mr. St. Laurent, announced on March 19 the following appointments:

Mr. A.D.P. Heenev, Q.C., Under-Secretary of State for External Affairs, to be Ambassador and Permanent Representative of Canada to the North Atlantic Council, effective April 15;

Mr. L. Dana Wilgress, High Commissioner for Canada in the United Kingdom, to be Under-Secretary of State for External Affairs, effective June 1;

Mr. Norman A. Robertson, Clerk of the Privy Council and Secretary to the Cabinet, to be High Commissioner for Canada in the United Kingdom, effective June 1;

Mr. J.W. Pickersgill, Special Assistant to the Prime Minister, to be Clerk of the Privy Council and Secretary to the Cabinet, effective June 1;

Mr. Pierre Dupuy, Canadian Ambassador to The Netherlands, to be Canadian Ambassador to Italy, effective May 1.

REORGANIZATION OF NATO

The appointment of a Permanent Representative of Canada to the North Atlantic Council follows upon the reorganization of NATO, approved recently when the Council met at Lisbon. It was then agreed that the Council would be established in permanent session with headquarters in Paris and that each member country would appoint a Mission accredited to the Council and headed by a Permanent Representative of senior rank. It is expected that the civilian headquarters of NATO will be transferred to Paris about April 15.

Mr. Wilgress became High Commissioner for Canada in the United Kingdom in 1949 after being head of the Canadian Mission in Moscow, and has also served as the Canadian representative on the Council of Deputies of NATO.

Mr. Robertson agreed to interrupt his career in the External Affairs service early in 1949 at the express request of the Prime Minister and it was understood at the time that he would return to that service in two or three years. He was High Commissioner in the United Kingdom at the time and is returning to the same post.

Mr. Pickersgill entered the External Affairs service by competitive examination in October 1937, and two months later was seconded for service in the Prime Minister's secretariat, of which he has been the principal officer since June 1945.

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JANUARY RETAIL SALES: Estimated value of Canada's retail trade rose about three per cent in January to \$722,620,000 from \$703,840,000 in the corresponding month last year. This was the smallest monthly increase since October, 1950.

NEW CONSUMER PRICE INDEX: The Dominion Bureau of Statistics announces a new Consumer Price Index, using 1949 as a base period. Publication will commence this summer, the Bureau says in the following statement:

"During the latter half of 1951 the Dominion Bureau of Statistics held numerous meetings with groups and organizations to explain and discuss the plans for the revised index which is to be renamed more accurately the Consumer Price Index. The groups and organizations included not only a wide variety of interests but also competent technical opinion. They represented consumers, labour, management, farmers, and professional economists. In addition, it has been possible to discuss the most up-to-date techniques for construction consumer price indexes with experts of several countries which have highly developed statistical organizations. During the course of these discussions it was decided to use 1949 as a base period and work resulting from this decision will require several months to complete. Therefore, publication will not commence before the summer of 1952, at which time a comprehensive explanation of the index will be issued."

* * * *

FARM LAND VALUES RISE: The average value of occupied farm land in Canada in 1951 was \$47.00 per acre, as reported by crop correspondents of the Dominion Bureau of Statistics. This was 9.3 per cent above the average value of \$43.00 per acre in 1950, and an increase of nearly 96 per cent over the 1935-39 average of \$24.00 per acre.

Increases were recorded in all provinces and ranged from \$15.00 per acre in Ontario and \$8.00 per acre in Quebec to \$2.00 per acre in Saskatchewan and Alberta, and \$1.00 in New Brunswick. Farm land values remained highest in British Columbia where the average stood at \$92.00 an acre. Ontario was next with a \$90.00 per acre average, followed by Quebec and Prince Edward Island with averages of \$74.00 and \$60.00 per acre, respectively. Values remained lowest in Saskatchewan where the average was reported as \$28.00 per acre.

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COTTON TEXTILE INDUSTRIES: Factory value of products manufactured by the cotton textile industries in 1950 reached a peak of \$276,595,000, almost 22 per cent above the preceding year's figure of \$227,252,000. The number of establishments in operation during the year was 67, two less than in 1949. These plants furnished employment for 28,430 workers who received \$58,481,000 in salaries and wages, up from 26,661 employees paid \$52,306,000 in 1949. Cost of materials used rose 25 per cent to \$168,361,000 from \$134,332,000.

MAIN ESTIMATES TOTAL \$4,335,796,809

NEARLY HALF FOR DEFENCE: Of a total of \$4,335,796,809 in the main Estimates for 1952-53, tabled in the House of Commons on March 19 by the Minister of Finance, Mr. Douglas Abbott, \$2,106,000,000 is required for the armed services, for defence production and civil defence, the Minister announced. The following is the partial text of the Minister's statement:

"The total of the Estimates for expenditure in the new fiscal year commencing at the end of this month, including the usual forecast of expenditures already authorized by statutes, is \$4,335,796,809....

"The figure of estimates for expenditure in the current fiscal year, shown for comparison in the usual way, is \$3,730,587,837, but this grand total, and that for the Department of Finance, are not properly comparable with the figures for the new year, as the expected expenditures in 1952-53 under Tax Rental Agreements with the provinces cannot be shown in the Estimates as they were last year, because the new agreements have not yet been concluded nor authorized by Parliament. The figures shown for the current year include as usual all supplementary estimates so far approved by Parliament, but not the Final Supplementary Estimates to be presented later this month....

"The most notable feature in the new estimates is, of course, the much higher appropriation proposed for National Defence, reflecting the gathering momentum of the defence programme. The total for National Defence, Defence Production, and Civil Defence is \$2,106 million, compared with estimates of \$1,728 million for the current fiscal year.

"The proposed amount for the Navy is \$268 million, compared with estimates of \$236 mil-

lion for the current year; for the Army \$532 million, compared with \$459 million; and for the Air Force \$759 million, compared with \$672 million.

"The amount provided for Mutual Aid to Allied Forces, in accordance with Section 3 of the Defence Appropriation Act, 1950, is \$324 million, compared with \$166 million for the current year, and includes, among other items, amounts for air training services and for the value of military equipment and ammunition transferred from existing holdings.

"These transfers result in a corresponding Bookkeeping credit being set up in a Replacement Fund, which Parliament has authorized to be expended on equipment for the Canadian Forces in addition to appropriations. The figures included in the estimates and quoted above do not include such replacement expenditures, but the latter are not expected to alter significantly the total expenditures of the Forces in 1952-53.

"The total figures for defence expenditures shown as such in the summary and cited above do not include many items required by the defence programme in its wider aspects and included in the figures of other Departments. The largest amounts of this kind are certain of the expenditures of the R.C.M.P., the National Research Council, and the Atomic Energy Control Board, but of course many expenditures in other Departments are directly required to service, assist, and finance the defence programme.

"In the categories recognized by NATO as defence requirements for international comparisons there is, it is thought, about \$45 million requested under non-defence headings...."

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ATOMIC ENERGY DIRECTORS: The Minister of Defence Production, Mr. C.D. Howe, announced on March 18 the appointment of the following as Directors of Atomic Energy of Canada Limited, the new Crown company which has been incorporated to take over the operation of the Chalk River Atomic Energy Project, at present operated by the National Research Council:

Dr. C.J. Mackenzie, President of the Atomic Energy Control Board and President of the new company, Ottawa;

Mr. W.J. Bennett, Member of the Atomic Energy Control Board and President of Eldorado Mining and Refining (1944) Limited, Ottawa;

Mr. E.R. Birchard, Vice-President (Administration) National Research Council, Ottawa;

Mr. René Dupuis, Commissioner, Quebec Hydro-Electric Commission, Montreal;

Mr. G.A. Gaherty, President, Calgary Power Limited, Calgary;

Dr. A.R. Gordon, Head of the Department of Chemistry, University of Toronto, Toronto;

Mr. R.L. Hearn, General Manager and Chief Engineer, Hydro Electric Power Commission of Ontario, Toronto;

Mr. Huet Massue, Engineer Economist, The Shawinigan Water and Power Company, Montreal;

Mr. V.W. Scully, member of the Atomic Energy Control Board and Comptroller, The Steel Company of Canada Limited, Hamilton.

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LOWER FARM PRICES: Lower prices for livestock and poultry and eggs more than offset higher prices for potatoes and dairy products, and the preliminary index number of farm prices, on the base 1935-39=100, declined to 283.0 in January from 286.2 in December. Compared with January, 1951, current prices moved up for livestock, dairy products, and potatoes, but declined for grains, poultry and eggs.

THE WEEK IN PARLIAMENT

ADDRESS APPROVED: The Address in Reply to the Speech from the Throne was approved on division in the House of Commons on March 18, after which it was agreed by the House that the Minister of Finance should table his estimates on March 19 and that on March 21 the Secretary of State for External Affairs should make a statement on external affairs, setting forth the policy of the Government in that regard, and that the debate on external affairs should ensue.

NATIONAL COMMISSION FOR UNESCO: In the following question and answer by the Leader of the C.C.F. Party and the Prime Minister, in the House of Commons on March 12, it was indicated that no legislation will be brought down this session dealing with the appointment of a national body to perform the function of a national commission for UNESCO:

Mr. M. J. Coldwell: In view of the recommendations of the Royal Commission on National Development in the Arts, Letters and Sciences, at pages 377 to 382 of its report, namely, that a body to perform the function of a national commission for UNESCO should be created, when may we expect the Government to make an announcement regarding the matter?

Mr. St. Laurent: My answer can only be the following: The manner in which these recommendations might be implemented, and the time at which that should be done, are still under consideration. It is not likely that the Government will have any legislation about this matter to recommend to Parliament during this session.

OBSERVE QUEEN'S BIRTHDAY JUNE 9: Canada will observe the birthday of Her Majesty the Queen on June 9, it was announced in the House of Commons on March 14 by the Secretary of State, Mr. F. G. Bradley, in the following statement:

ADMIRAL MCCORMICK'S VISIT: Admiral Lynde D. McCormick, USN, Supreme Allied Commander, Atlantic, who has been making his first tour of North Atlantic Treaty nations since his appointment early this year, arrived in Ottawa on March 18 for a two-day series of conferences.

He was met by the Minister of National Defence, Mr. Brooke Claxton, the United Kingdom High Commissioner, the American Ambassador, the heads of the Armed Services and other senior officials.

"The Canadian Government has been informed by His Excellency the Governor General that Her Majesty the Queen has approved a proposal to observe in the United Kingdom the official celebration of Her Majesty's birthday on Thursday, June 5.

"As it is customary in Canada to observe the official celebration of the Sovereign's birthday on a Monday in June, the Queen's approval was sought, and has been received, for the official celebration of Her Majesty's birthday in Canada on Monday, June 9. An Order-in-Council was passed today authorizing the issuance of a proclamation accordingly."

CLARIFICATION OF MEAT EMBARGO: Canada-U.S. discussions in Washington last week on quarantine regulations and the effects of import controls imposed in both countries on livestock and related products have resulted in clarification of the situation, the Minister of Agriculture, Mr. J. G. Gardiner, said in the House of Commons on March 18 in reply to a question by Mr. A. Earl Catherwood, (Haldimand). Mr. Gardiner said in part:

"From the Canadian point of view the discussions were very informative and resulted in a clarification of the situation. All canned meats hermetically sealed and all cooked meats, either cured or partly cooked, may also enter the United States under certain conditions."

Mr. E. D. Fulton, (Kamloops): "May I ask the Minister of Agriculture whether under the restrictions imposed by Canada on the importation of meats from the United States, the same class and types of meats will be permitted entry into Canada as he has just told us are permitted entry into the United States, notwithstanding their embargo?"

Mr. Gardiner: "Yes, that would be true."

On March 19 he called on Prime Minister St. Laurent and Lieutenant General Charles Foulkès, Chairman, Chiefs of Staff, and met with the Chiefs of Staff Committee.

On March 19 and March 20 he met with senior officers of the Royal Canadian Navy who are in Ottawa for the annual Senior Officers' Conference of the RCN.

Accompanying Admiral McCormick were Vice-Admiral Sir William G. Andrews, Commander-in-Chief of the Royal Navy's America and West Indies station and Deputy Supreme Commander, Atlantic, and other members of his staff.

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WEEK'S EVENTS IN REVIEW

MR. HOWE ON TRADE OUTLOOK: Canada is in a most enviable position among the countries of the world; Canada will continue to grow in importance as a world exporter as long as we remain competitive; the trade record is remarkably good, and prospects are "favourable," said the Minister of Trade and Commerce and Defence Production, Mr. C.D. Howe, in discussing Canada's trade position before the Montreal Canadian Club on March 10.

In the period of world-wide rearmament there is more, rather than less, reason to pay attention to the development of foreign trade, said the Minister, "for during this period of rearmament and defence preparations, we are building up productive capacity which later will be fully utilized only if the product can be exchanged for goods from other countries."

Some excerpts from Mr. Howe's analyses of various aspects of the trade record and outlook follow:

"In 1951 Canadian exports and imports taken together, for the first time exceeded \$8 billion. In terms of volume of goods moved across our borders this was an increase of 10 per cent above 1950, which was itself a year of unusually heavy trade....

"Many of our primary products recorded striking increases in export volume in 1951. Wheat exports were about half as great again as in 1950. Coarse grains more than doubled in volume. Exports of iron ore and ferro-alloys were 65 per cent greater. The volume of exports of newsprint, nickel and zinc increased by about 10 per cent. These were large increases to have occurred in the course of a year, for some of these commodities are in the list of our biggest exports....

"By far the larger part of the goods we produce, to offer to the world, consists of materials and foodstuffs which are regarded as essential by other countries. These are the products of our mines, our forests, our farms and our fisheries. These constitute the hard core of our exports and of our national prosperity. In this we are fortunate. The rest of our trade, in other fields, all of it important, has been built up on this hard core of which I speak. Compare our strong national position with the plight of countries whose export trade consists mostly of manufactured goods and luxury consumer goods, which are sometimes very difficult to move in international trade. Our primary extractive in-

(Continued on p. 4)

MR. PEARSON ON THE FAR EAST: "We should let the Peking Government know that they must expect communist aggression to be met by collective resistance; that no Government in Peking committing such aggression can hope to be accepted into the community of nations; that on the other hand, we ourselves did not intervene in Korea, or, indeed, in Formosa, in order to overthrow by force the Government in Peking," said the Secretary of State for External Affairs, Mr. L B Pearson, in addressing the Canadian Society, New York, on March 7.

"I think also," he added, "that we should make it clear that while Formosa cannot be allowed to fall into Chinese Communist hands while aggressive war is going on in Korea, we do not intend to use our own forces to restore to China the regime which is now in Formosa after being driven off the mainland."

Mr. Pearson spoke about the close and friendly relations existing between Canadians and Americans. To keep them that way would require, on the part of Canadians, an appreciation of the enormous responsibilities being carried by the United States, and, on the part of the United States, knowledge and understanding of Canada, its present position and its potential greatness. We should not assume that without any effort Canadian-American relations would always remain good.

He proceeded:

QUOTA RESTRICTIONS

"Of course, everything does not always run smoothly between us. We have old and unsolved problems and also some new ones. Among the former is the delay in the United States in carrying out international agreements regarding the simplification of the administration of customs laws and procedures, a matter of great importance to Canada as a major exporter to the United States. Likewise, at present we are unhappy about quota restrictions, including embargoes, imposed by Congressional action on the import of dairy products, restrictions which violate the provisions of an international agreement entered into by the United States with the Canadian and other governments, as a result of which we gave in our turn tariff concessions to certain United States imports which they still enjoy.

"Above all, there is the St. Lawrence seaway. We have decided in Canada that if this great venture cannot be carried out co-operatively with the United States - and we think it should - then we will go ahead and do it ourselves as an all-Canadian seaway. We are not, I assure you, bluffing in this...."

After referring to the "real progress" made at the NATO Council session in Lisbon, Mr. Pearson said Canada was behind this great collective enterprise "because we think it represents our best chance for peace; because we believe its policies are purely defensive

and that its developing strength will never be used for any aggressive or threatening purpose...."

It was in the Far East, he said, that there was real danger of divergence of policy among the free states, and proceeded:

"In mentioning the Far East, I should acknowledge at once the tremendous burden which the United States is bearing in Korea; the courage and determination being shown there by its men. There is, I think, no difference in view point between the Governments with forces in Korea as to the desirability of bringing that war to an end - as soon as possible - but on honourable terms which do not betray the purpose that we had in intervening in the first place. That purpose was - and remains - to defeat aggression, nothing more.

"The Canadian Government supports as a possible step to peace the armistice negotiations now being carried on with such patient determination by United States representatives on behalf of the United Nations. We realize that if these negotiations fail, or if an armistice is successfully concluded and then a further aggression is committed by the Communists, a new and dangerous situation will arise.

APRIL 26 STATEMENT

"I said publicly in our House of Commons on April 26 last that if there were massive air attacks from Manchurian bases, retaliatory action might be required against those bases, in order to safeguard the United Nations forces in Korea. I then went on to say that the decision to authorize such action would, as we see it, have to balance very carefully local military considerations against the risk of precipitating a further extension of the war, with all its incalculable consequences.

"We are not convinced, for instance, that general retaliatory measures such as the blockading of the Chinese coast would be as effective in ending the war in Korea as they would be likely to extend it to China. We feel this way because the best advice we can get leads us to believe that such measures might bring us to the position where, as General Bradley has put it, we would find ourselves fighting the wrong war at the wrong place at the wrong time, and with the wrong enemy.

"We also think that United Nations policies should be designed to end an aggression in North Korea and not to overthrow by force a communist regime in Peking. Like other democratic governments, the Canadian Government, and the Canadian people, detest Communism in Asia or any place else. We will do what we can, and should, to eliminate it from our own country and to protect ourselves from its aggressive and subversive designs from abroad. When it shows itself in other countries in the form of military aggression, as it did in Korea, we must oppose it. As a doctrine we should expose it as reactionary and as the

instrument of Russian Imperialism. But we should not forget that in Asia it has managed to attach itself to forces of nationalism and social reform....

"As a doctrine, Communism in Asia will not be destroyed by guns, though guns have to be used when communist violence and banditry occur. It will be destroyed by Asians themselves when its true character is unmasked. Western countries, however, can help in this destruction by encouraging and assisting genuinely democratic national governments in Asia, by economic and technical assistance to such governments and by showing, through their own experience and their own achievements that free parliamentary government can do more for the people than reactionary Russian Communism can ever hope to do...."

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ST. LAWRENCE DISCUSSIONS: The Department of External Affairs announced on March 7 that a group of United States officials came to Ottawa, at the invitation of the Canadian Government, for exploratory talks on March 6 and 7, with the Canadian Interdepartmental Committee on the St. Lawrence Seaway and Power Project.

The discussions were held as a result of a meeting between the Prime Minister of Canada and the President of the United States on September 28, 1951, which resulted in an exchange of Notes on January 11, 1952 (External Affairs Press Release of January 28, 1952). In these Notes the two Governments reaffirmed their preference for undertaking the Project jointly under the 1941 Agreement, but also agreed to co-operate in the event it becomes necessary for Canada to proceed with the all-Canadian project because of inability of the United States to proceed jointly with Canada.

The Canadian Parliament has already passed legislation providing for power and for navigation works in Canadian territory if this should prove necessary. The joint meeting examined in an exploratory manner the problems which would arise in connection with the all-Canadian seaway and sub-committees to consider engineering and legal matters were appointed.

The United States group, an Inter-Agency Committee established to work out with Canadian officials the problems related to the alternative Canadian plan, is headed by Mr. Jack Gorrie, Chairman of the National Security Resources Board. Mr. N.A. Robertson, Secretary to the Cabinet, is Chairman of the Canadian Committee. Another meeting of the joint group will be held in Washington in the near future.

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HIGHER EDUCATION SURVEY: The Dominion Bureau of Statistics has released its biennial survey of higher education in Canada for the two years, 1948-50, which completes a series of three decades of statistical data on the universities and colleges of Canada.

AIRCRAFT LAND ON DESTROYER: On board HMCS Sioux, Esquimalt, March 10 - "Canada's second carrier" is what her ship's company calls this destroyer, as the result of an experience during her last patrol off the coast of Korea before sailing for home.

The Sioux earned her new title when, on February 8, she provided a landing deck for two U.S. Army helicopters. The helicopters made their landings on the after superstructure, on a space measuring 17½ by 20¾ feet slightly smaller than the 694-foot flight deck of Canada's first carrier, HMCS Magnificent.

While a complete check has not been made, it is believed this was the first time an aircraft of any description had landed aboard a destroyer.

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FARM WAGES HIGHER: Average wages of male farm help at the middle of January this year were above those of January last year in all parts of Canada, increases being general for wages by the day and month, both with and without board, according to the regular winter survey by the Dominion Bureau of Statistics.

The all-Canada average wage per day with board stood at \$4.60, 50 cents above the \$4.10 average at January 15, 1951, while the per month rate with board was \$86.00, a jump of \$11.00 from \$75.00. The national average without board was \$5.70 per day, up 60 cents from \$5.10, and \$121.00 per month, up \$11.00 from \$110.00.

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FIRST FAIRCHILD C-119 DELIVERY: Delivery from the United States of the first Fairchild C-119 Military Packet for the RCAF is expected in April, it has been announced by RCAF headquarters. Plans to purchase the aircraft for the RCAF were made public shortly before the end of 1951.

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THE KOREA MEDAL: National Defence Headquarters announced on March 7 that Her Majesty The Queen has graciously approved the wearing by Canadian Forces of THE KOREA MEDAL, approved by His Late Majesty King George VI in general recognition of service by British Commonwealth Forces on behalf of the United Nations in repelling aggression in Korea.

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WHEAT EXPORTS UP: Exports of Canadian wheat as grain during January amounted to 16,000,000 bushels as compared with 16,800,000 in December and 11,800,000 in January, 1951. This brought the cumulative total for the first half of the current crop year to 134,200,000 bushels, up sharply from the 80,200,000 bushels exported during the August-January period of 1950-51.

(Continued from p.1)

MR. HOWE ON TRADE OUTLOOK

dustries are the basic foundation of a growing pyramid of manufacturing industries producing both for home markets in which population and incomes have steadily increased, and for export.

"...Looking to the future, I have made it clear to countries that are anxious to secure increased amounts of our raw materials that we would like to see some evidence of their acceptance of Canada as a reliable long-term source of supply, rather than as a residual supplier to be used only during periods of shortages.

"...Many of our new productive facilities are designed to establish and maintain Canadian industries amongst the lowest cost and most efficient producers in the world. This applies to several of the base metals, to pulp and paper and various other forest products, to hydro-electric power, to iron ore and steel, and to crude petroleum.

"In the depression of the 1930's Canada was more vulnerable because, at that time, many of our industries were high-cost, marginal producers. The major importing countries found that they had sufficient domestic production available to meet their own needs. The underlying situation has been greatly altered in our favour. In countries such as the United States, known reserves of certain materials have become depleted, while Canadian supplies are still abundant. In many of our basic industries, we have ceased to be a marginal producer and are in course of becoming the most efficient producer.

ALUMINUM DEVELOPMENT

"Canada has long been the most efficient producer of aluminum and is presently supplying about one-quarter of the world demand for that metal. That position is being strengthened by the new Kitimat development in British Columbia, which involves diverting a river and building a power house one-quarter of a mile inside a mountain through which a ten-mile tunnel is being cut....

"Our position in iron ore and steel is being strengthened by developments in Northern Quebec and in Labrador. Steel constitutes the basis of industrial society in the most highly developed countries of the world. New sources of iron ore and the vast expansion of our steel industry promise that Canada will be a low cost producer of this basic metal. There are many developments of this kind in progress in Canada, which mean that Canada is strengthening her commercial position in the world....

"We in Canada will continue to grow in importance as world exporters, as long as we remain competitive. Our objective should be to expand our production, wherever and whenever we can meet the test of low unit costs. Just as we must combat the inflation of our currency, so we must guard against the development

of uneconomic enterprises and hothouse protectionism, all of which would weaken us in the long run....

"Producers of manufactured goods, too, have participated in our booming markets, although difficulties have been encountered in certain consumer goods industries, and some reversals have been suffered in exports. The high level of demand for exports of primary foodstuffs and raw materials has sustained the demand for manufactured goods here in Canada by giving rise to generally high levels of employment and purchasing power. At the same time, exports of many manufactured goods have shown significant increases....

"I believe that many of our manufacturing industries are becoming more and more competitive in international trade. Sometimes they are able to increase their foreign business, despite the array of overseas restrictions against dollar goods, which is no mean accomplishment. I fully expect that as these industries continue to expand and search vigorously for markets, Canada will become an important supplier to the world of secondary products....

"As far as Canada is concerned, the most important thing about the sterling area crisis is not its immediate effect upon our trade, important as that may be to some producers. Can the crisis be surmounted? That is our chief concern. The Canadian Government believes that a great deal can be done to increase trade, both ways, between Canada and all of the Commonwealth countries and Western Europe, to the advantage of everyone concerned....

TRADE WITH LATIN AMERICA

"...Because of the complementary nature of our trade, I am confident that Canadian trade with Latin America will expand considerably in the future.

"We have been fortunate, indeed, to find a receptive American market for our goods during recent years, when some of our traditional markets overseas have been closed to us. It has been sales in the United States, above all else, which have enabled our exports to top all previous records. This is not a matter of putting all our eggs into one basket. It is simply a matter of cultivating those markets that are available to us.

"There has been a deficit in our trade with the United States. This has occurred principally as a result of imports arising from our great program of capital expansion. As these extraordinary expenditures taper off, and as our new industries come into production, Canadian trade should once again come into close balance with the United States.

"Commercial ties between Canada and the United States are very close and highly dependent upon the good will existing between the two countries. For this reason, we in Canada have been perturbed by the import con-

trols which were introduced in the United States last year on certain fats, oils and dairy products. We take the position that these measures in the United States are not only unjustifiable, but contrary to the principles and agreements upon which trade has been built up between our two countries. We have been pleased from the beginning to note that the President of the United States and several members of Congress and the Administration have expressed similar views.

"Canada and the United States have drawn closer together as trading partners in recent years. Joint ownership of industries, and the system of branch plants, reach across our common border, often in both directions. Industry in each country has, in fact, become dependent on raw materials and supplies obtained from the other. With such close links, and with the large amounts of American capital now being invested in Canada, there should be little room for fear that the large scale trade between our two countries will be seriously impeded by hasty action on either side.

"May I add a word about the embargo placed upon the movement of Canadian livestock and meat into the United States, as a result of the outbreak of foot-and-mouth disease in Saskatchewan. The Canadian Government fully understands the reasons for this embargo, which was mandatory under United States law. As a matter of fact, as soon as we suspected that there might be foot-and-mouth disease in this country--even before there was definite proof--we invited the United States Government to send in veterinarians to observe and to advise. Not for many, many decades have we had a case of this dreaded animal disease in Canada, and we were most anxious, not only to stamp it out immediately, but to satisfy our American friends that we were doing everything possible to stamp it out. I am confident that because of the steps taken and as a result of the precautionary measures which have served us so well in the past, the U.S. Secretary of Agriculture and his advisers will be able, with a minimum lapse of time, to satisfy themselves that the embargo can be lifted without danger...."

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EMBASSY OF THE U.S.S.R.: The Embassy of the U.S.S.R. has been informed that it must henceforth notify the Department of External Affairs in advance of any trip more than 25 miles from Ottawa taken by a member of the Embassy staff. This notification must be received at least 48 hours before the proposed time of departure from Ottawa. It must include the names of the Embassy staff members who intend to travel, as well as full details of the proposed itinerary, the times of arrival and departure for each point of the journey at which a stop-over is to be made, and the means of transport to be employed at each stage of the trip.

In Moscow, the Canadian Embassy is similarly required to notify the Soviet authorities in advance of any trip beyond a radius of 40 kilometres from Moscow taken by a member of the Embassy staff. In addition to this members of the Canadian Embassy staff in Moscow are prohibited from visiting a great many cities and areas of the U.S.S.R., including a good many areas within the limit of 40 kilometres from Moscow. The Soviet Government has recently made substantial additions to this list of prohibited places.

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TREATMENT OF NUNS PROTESTED: The Government deplores the shocking treatment the Canadian missionaries in China have received, and has taken every course open to it to protest to the Central People's Government of the People's Republic of China," said Mr. Jean Lesage, Parliamentary Assistant to the Secretary of State for External Affairs, in the House of Commons on March 10 in reply to a question by Mr. George H. Hees, Broadview.

"In the absence of direct Canadian representation in China," continued Mr. Lesage, "we have had the assistance not only of the United Kingdom Chargé d'Affaires but of representatives of other countries. On a number of occasions these gentlemen have made strong representations, and there are some signs that in a certain measure they have succeeded in improving the conditions of some imprisoned persons.

"The House will no doubt be aware that three of the nuns who were tried in Canton have now reached Hong Kong, and missionaries of all denominations continue to arrive at that place. Whereas on January 1, 1951, there were about 400 Canadians in China, there are now approximately 160, the majority of whom are missionaries; and many of these have applied for exit permits.

"The situation, of course, is one of great delicacy; and, as has been pointed out in the past both by the Prime Minister and by the Secretary of State for External Affairs, the best advice at the disposal of the Government indicates that little is to be gained and much may be lost by heated public discussion of those questions. I know the Government shares to the full the natural indignation engendered by these events, but it is compelled to suggest, as it has suggested, that the safety of Canadian citizens still in China dictates the utmost caution."

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INVENTORIES AT RECORD HIGH: Value of manufacturers' inventories rose during December after a decline in November to reach \$3,585,400,000, highest total ever recorded. This was an advance of \$64,000,000 over November, and an increase of \$813,000,000 or 29 per cent over the revised 1950 year-end total of \$2,772,400,000.

CANADA-U.S. AIR AGREEMENT: The Minister of Transport, Mr. Lionel Chévrier, announced on March 13 that the Air Transport Board of Canada and the Civil Aeronautics Board of the United States have recently concluded arrangements to facilitate the operation of commercial air services, other than scheduled air services, across the international border between Canada and the United States. The new arrangements, he said, will become effective as of April 12, 1952. They do not effect the cross-border operation of personal aircraft and neither Customs nor Immigration requirements are affected.

There has been considerable demand for the use of charter aircraft in trans-border services for the carriage of passengers and cargo and up until now procedural requirements have made it difficult to fully develop this traffic, said the Minister.

"Under the new arrangement", he said, "the aeronautical authorities of the two countries have provided for corresponding methods by which air carriers may obtain permits effective for a 3-year period covering the operation of 'casual, occasional or infrequent air service across the border.' In the case of Canadian carriers this will mean that they will be able to obtain foreign air carrier permits from the United States authorities to carry out flights at irregular intervals without the necessity of obtaining specific authorization for each flight."

The procedures involved in the issue of these foreign air carrier permits have been reduced to the absolute minimum permitted by United States law. For isolated flights specific authorization will still be required but these procedures have also been simplified.

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COARSE GRAIN SALES DOUBLE: Total bushel volume of Canadian exports of oats, barley, rye and flaxseed during the first half of the current crop year was about two and a half times as great as for the August-January period of the 1950-51 year, it is noted in the current issue of the Bureau's Coarse Grains Quarterly.

Current crop year exports of the four grains to January 31, with corresponding figures for 1950-51 in brackets, were as follows: oats, 27,900,000 (9,300,000) bushels; barley, 33,400,000 (10,500,000); rye, 2,100,000 (3,300,000); and flaxseed, 1,500,000 (3,000,000) bushels.

1951 SECURITIES TRADE: Movements of capital connected with the trade in outstanding securities were largely offsetting in the year 1951 when Canada's net sales to all other countries totalled \$17,700,000. This was in marked contrast to the exceptionally heavy inflow of \$238,400,000 in 1950.

An outstanding development during the year was the rise in net sales of outstanding securities to overseas countries other than the United Kingdom to \$31,000,000 as against \$5,400,000 in 1950. Most of the demand was for the stocks of Canadian companies. Continental Europe was the main source of these capital inflows. There have also been other inflows from the same group of countries for direct investments in subsidiary companies being established or expanded in Canada.

Trade in outstanding securities between Canada and the United States resulted in a small purchase balance of \$5,700,000 in 1951 compared with a sales balance of \$255,700,000 in 1950. This change was due chiefly to the reduction in United States holdings of Government of Canada bonds which occurred towards the end of the year when there was a concentration of repurchases of this group of bonds.

Net repurchases of Government of Canada bonds from the United States amounted to \$91,000,000 in 1951 compared with net sales of the same group of issues in the previous year of \$175,000,000. In contrast, the trade in other groups of Canadian bonds with the United States led to inflows of capital.

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MINISTER TO DENMARK: The Department of External Affairs announced on March 12 the appointment of Mr. E. D'Arcy McGreer as Canadian Minister to Denmark.

Mr. McGreer joined the Department of External Affairs in 1927 and has served in Geneva, Paris, Washington, Tokyo and Brussels. In 1946 he was appointed Canadian High Commissioner to South Africa and in 1950 became Chargé d'Affaires a.i. in Warsaw.

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AMBASSADOR OF YUGOSLAVIA: The Department of External Affairs announced on March 13 that Dr. Rajko Djermanovic had presented to His Excellency the Governor General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Yugoslavia to Canada.



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WEEK'S EVENTS IN REVIEW

CANADA'S AID TO ASIA: Canada's contributions in aid of South and South-East Asia were outlined by the Secretary of State for External Affairs, Mr. L.B. Pearson, in an address before the Annual Congress of the Co-Operative Union of Canada in Ottawa on March 4. The subject of his address was, "Canada and Technical Assistance To Under-developed Countries."

When the peoples of the West spoke of improving economic and social conditions in their own countries, he said, they thought in terms of raising their standards of living. But the basic problem of most of the peoples of Asia did not concern the standard of living but how to maintain life itself. Never had so many subsisted on so little.

The real hope of saving the millions of Asians depended upon increasing the productivity of the lands of their own countries. A major factor impeding improvement was the use of primitive tools and techniques and the lack of knowledge of the science of agriculture. There was one factor of the culture of the West, which most leaders of Asia felt could be of permanent value to them. That factor was science and technology. He outlined, in part, as follows, the two programmes of international technical assistance to which the Canadian Government is now contributing:

"The first and more important of these is the United Nations Expanded Technical Assistance Programme. Here for the first time almost

all the countries of the free world (the Soviet Bloc refused to participate despite their constant professions of solicitude for the welfare of the peoples of the under-developed countries) have co-operated in pooling their resources to give technical assistance to member governments which are in need of such assistance and which request it.

"Canada contributed \$830,000 to the first 18 months' operation of this programme and has offered to contribute at least \$750,000 and up to \$850,000 (depending upon the amounts offered by other leading contributing countries) towards the objective of \$20,000,000 for the succeeding 12 months' period....

"Since the beginning of the Programme in July, 1950, we have received 46 U.N. Fellows from under-developed countries for special training in Canada, in addition to many directed to us by the Specialized Agencies. We have completed training arrangements for an additional twenty-seven, amongst them a young Haitian whose training in co-operatives is being arranged by your National Office.

"Canadians are also serving abroad in the field under the U.N. programmes: many of them in Asian countries....

"Because we realize that the needs of the peoples of South and South-East Asia for technical assistance are particularly urgent, we helped to establish and are now participating in the Colombo Programme for Technical Co-

(Continued on P. 5)

ST. LAWRENCE DEVELOPMENT DISCUSSIONS The Department of External Affairs announced on March 4 that a group of United States officials, headed by Mr. Jack Gorrie, Chairman of the National Security Resources Board, would come to Ottawa on March 6 for the purpose of making an exploratory examination of subjects relating to the references of applications to the International Joint Commission for approval of the St. Lawrence project.

The United States officials are members of an Interagency Committee established to consider with the Canadian Interdepartmental Committee on the St. Lawrence Seaway and Power Project the steps to be taken in proceeding with the reference of applications to the Commission, in connection with the all-Canadian seaway, should that be necessary. Mr. N.A. Robertson, Secretary to the Cabinet, is Chairman of the Canadian Committee.

The conferences were provided for in the exchange of notes of January 11, 1952, the texts of which were released on January 28.

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AUTO SHIPMENTS AT RECORD LEVEL. Factory shipments of Canadian-made motor vehicles climbed to an all-time peak total in the full year 1951, about six per cent above the previous high in 1950, substantial gains in the first five months of the year more than offsetting declines in the last seven months. Vehicles made for sale in Canada were slightly lower in number than in 1950, but this decline was outweighed by a large gain in the number made for export.

Sales of British-made vehicles were less than half 1950 totals but there was a marked rise in shipments of vehicles imported from the United States. The result was a drop of about seven per cent in the number of new vehicles of all makes for sale in Canada.

Shipments of made-in-Canada vehicles in 1951 totalled 413,772 units as compared with 390,836 in the preceding year, and in December numbered 22,986 units as against 30,738. Vehicles shipped for the domestic market in the year totalled 346,992 units as against 357,527, and those for export numbered 66,780 units as against 33,309.

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FARM PRICE INDEX AT RECORD HIGH: Increased prices for potatoes, dairy products, poultry and eggs and a substantial rise in livestock prices pushed the annual index of Canadian farm prices up almost 27 points in 1951 to an all-time high of 287.2, according to preliminary figures released by the Dominion Bureau of Statistics. This was an estimated increase of about 10 per cent over the previous high of 260.5 set in 1950, and nearly 32 points above the 1949 figure of 255.4. The index is reckoned on the base that the average prices during the five year period of 1935-39=100.

CANADA-U. S. SUPPLIES AGREEMENT: Representatives of the Department of Defence Production and of the three U.S. military departments signed an agreement on February 26 standardizing procedures and policies for the procurement of military supplies in Canada by the U.S. military departments.

The agreement provides that contracts placed by the U.S. military departments in Canada will generally be placed with the Canadian Commercial Corporation, a Canadian Crown Company which will in turn place these contracts with Canadian industry. The agreement also contains provisions relating to profit limitations with respect to contracts placed in Canada and the utilization by each country of the Material Inspection Services. This agreement will simplify contract negotiations since many details previously covered by individual contract negotiations are now included in the agreement.

A similar agreement existed during World War II between War Supplies Limited, the counterpart of the Canadian Commercial Corporation, and the U.S. military departments. The new agreement furthers the "Statement of Principles for Economic Co-operation" established on October 26, 1950, by an exchange of notes between the two Governments.

M.W. Mackenzie, Deputy Minister of Defence Production, signed the agreement for Canada. Under-Secretary of the Army A.S. Alexander, Assistant Secretary of the Navy John F. Floberg and Under-Secretary of the Air Force R.L. Gilpatrick signed the new agreement for the U.S. military departments.

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INDUSTRIAL PRODUCTION: The volume of industrial production as a whole in Canada, as measured by the indexes of the Bureau of Statistics published in the February issue of the Canadian Statistical Review, showed a decline in December from the previous month and was also lower than a year earlier. Part of the decline from November may be attributed to seasonal influences.

The preliminary figure for the index is 204.1 for December, down from 207.9 for November and from 209.2 for December, 1950. The index for manufactures declined similarly to 209.6 compared to 214.0 for November and 219.6 a year earlier. Indexes were down for both non-durable and durable manufactures.

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GEORGE MEDAL WINNER'S APPOINTMENT: The first Canadian Army soldier to win the George Medal, Lt.-Col. D.W. Cunnington, 35, Calgary, Alta., has been appointed General Staff Officer, Grade One, with the First (Commonwealth) Division, United Nations Forces in Korea. Army Headquarters has announced.

MEDICAL RESEARCH PROGRAMME: Studies in the basic sciences related to medicine, and investigations into the cause and treatment of acute and chronic illness, are both being given substantial support by the National Research Council of Canada, it was disclosed in a report of NRC's Division of Medical Research for 1951.

Grants in aid of medical studies and fellowships for graduate research are awarded each year through the Medical Research Division which operates under the direction of Dr. J.B. Collip, Dean of Medicine at the University of Western Ontario, assisted by Dr. G.H. Ettinger, Dean of Medicine, Queen's University, and an advisory committee of medical specialists.

The Council does not maintain medical or hospital facilities of its own but works entirely through the university medical schools and hospitals across Canada.

In its report the Division states that, last year, special provision was made as well for research into the action and uses of ACTH and Cortisone, under an ad hoc Advisory Committee whose Chairman was Dr. R.F. Farquharson, Professor of Medicine at the University of Toronto.

Under the regular research programme, 125 grants-in-aid were made in 1951. In addition, four large consolidated grants were made to give some assurance of stability to the investigations conducted by Dr. C.H. Best, at the University of Toronto, Dr. J.S.L. Browne at McGill, Dr. J.B. Collip at Western Ontario, and Dr. Wilder G. Penfield, at the Montreal Neurological Institute.

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FISHERIES RESEARCH: Progress in investigations to improve the nation's fisheries were reported at the annual meeting of the Fisheries Research Board of Canada held in Ottawa January 3 to 9. The Board, composed of 15 members from universities, industry and the Department, operates under the Minister of Fisheries, and is in effect the research division of the Department.

Newfoundland's fisheries have been receiving special attention. Exploratory fishing has revealed commercial quantities of fish in areas not previously fished. An unusual situation has been found in some areas near the coast, in which warmer-water fish such as rosefish and halibut, are found below the cold-water cod. The reason for this reversal of the usual situation is that deep-water areas in which this condition occurs are connected with the ocean by deep channels which permit warmer, saltier Atlantic water to flow in under the fresher, colder water of the Labrador Current. A commercial development has followed the finding of this condition in Hermitage Bay.

One of the most important objectives of the three marine biological stations at St. John's, Newfoundland; St. Andrews, New Brunswick, and

Nanaimo, British Columbia, is to keep a continuous check on the character and size of the populations of all important commercial species, in order to detect changes and determine to what extent the changes found may be due to fishing or to natural causes. (Trade News, Department of Fisheries)

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LIVING COSTS DOWN SLIGHTLY: The Dominion Bureau of Statistics cost-of-living index moved down 0.4 per cent from 191.5 to 190.8 between January 2 and February 1, with lower prices for foods, clothing and home furnishings accounting for the decrease.

The food index moved from 250.0 to 248.1, as further decreases in eggs, beef, pork, lard and shortening overbalanced increases in butter, cheese, and fresh fruits and vegetables. The clothing index decreased from 215.3 to 213.0, reflecting lower quotations for items of men's woollen apparel and women's nylon hosiery. The home furnishings and services group receded from 201.1 to 200.1, as decreases in furniture, wool blankets and soap outweighed increases in laundry and telephone rates.

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WHOLESALE INDEX DOWN: The index number for 30 industrial material prices at wholesale, on the base 1935-39=100, registered continued weakness in February, declining from 279.3 for the week ended January 25 to 269.6 for the week ended February 22. Lower prices for a number of items, mainly steers, hogs, oats, raw rubber, raw cotton, raw wool, beef hides, white lead, zinc and copper, were responsible for the decline. As compared with the level of February last year, the index has shown a drop of 33.8 points or 11.4 per cent.

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LABOUR INCOME RISE: There was a further advance in the estimated total of wages, salaries and supplementary labour income in November, the month's total rising 15 per cent to \$857,000,000 from \$744,000,000 in November, 1950. In the first 11 months of 1951, labour income was up 17 per cent to \$8,804,000,000 from \$7,533,000,000 in the similar period of 1950.

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23,000 AIRCRAFT WORKERS. Since August, 1950, Canada's rapidly expanding aircraft and parts industry has increased its work force from 9,000 to more than 23,000, it was announced on February 29 by the Minister of Labour, Mr. Milton F. Gregg. The Minister stated that this expansion was expected to continue until 1953 since several of the main plants were not yet in production. This steady advance in employment in the aircraft and parts industry has taken place at the rate of about 900 new workers per month.

THE WEEK IN PARLIAMENT

U.S. IMPORT RESTRICTIONS: Replying to a question by Mr. P.E. Wright, (CCF-Melfort) the Minister of Trade and Commerce, Mr. Howe, said in the House of Commons on February 29, that, "in the present circumstances it has been decided not to resort to measures of commercial retaliation against the United States" for its restrictions on imports of Canadian dairy products.

Mr. Wright had asked if the Minister would state whether newspaper and press reports, emanating from Geneva, "that Canada was placing an embargo on the importation of certain agricultural products from the U.S. because of U.S. restrictions on the export of certain dairy products to that country," were correct.

Mr. Howe replied, in part:

MINISTER'S STATEMENT

"... Because the question involved is a delicate one, I have read with much concern the newspaper dispatches from Geneva and have listened to radio reports based thereon to which he referred. Because of the Government's concern for the welfare of our dairy industry, the United States import restrictions on certain dairy products have of course been under continuous review. Among the products affected, skimmed milk products and cheddar cheese are of particular interest to Canada. In the present circumstances, however, it has been decided not to resort to measures of commercial retaliation against the United States. As a matter of fact the Government has not authorized any new statement of policy to be made on this subject. The situation has not developed to the point where retaliatory measures would be either appropriate or effective. I should like to assure hon. members therefore that the dispatch in question is erroneous and does not reflect the views of the Canadian Government.

"Legislation is now pending in the United States to amend the Defence Production Act by repealing section 104, commonly known as the Andresen amendment. This is the section which provides for import controls on certain fats, oils and dairy products. The Banking and Currency Committee of the United States Senate gave further consideration to the remedial legislation this week. It is understood that the Committee renewed its favourable support for the bill in question. In referring the bill back to the United States Senate the Committee did not consider it necessary to arrange any further public hearings. This is a very encouraging development.

"These import restrictions on the part of the United States Government have given rise to problems for Canada. The Canadian Government deplores the fact that, by introducing these new import controls, the United States

Government has taken action in direct contravention of her trade agreement with Canada. The trade agreement provides clearly that quantitative import restrictions of this kind shall not be imposed. Through these controls upon imports, furthermore, the United States Government has seriously impaired the value of certain tariff concessions which were negotiated with Canada at Geneva in 1947 and at Torquay in 1951.

"We have taken note, however, of the efforts made by the United States administration to clear up this situation. We have been greatly encouraged by the support which has evidently been given in the United States Congress to the bill to repeal section 104 of the Defence Production Act. Our relations with the United States are cordial on both sides, and the Canadian Government did not consider it appropriate to threaten retaliation, as reported, on a subject which is at present receiving the constructive consideration of the United States Senate. For this reason the Government particularly regrets the unfounded press and radio dispatches to which the hon. member has referred."

FOOT-AND-MOUTH DISEASE: The Government on March 3 banned the importation of livestock and meats, except under permit, from any country and introduced into Parliament new legislation to cope with the outbreak of foot-and-mouth disease in Southern Saskatchewan.

During the course of an all-day debate on that date, the Minister of Citizenship and Immigration, Mr. W.E. Harris, also announced a ban against immigrant farmers or farm workers from areas in countries where foot-and-mouth disease is prevalent.

The Minister of Agriculture, Mr. J.G. Gardiner, said, during discussions, that he had no objection to a reference to the Standing Committee on Agriculture of a question of delay in diagnosing the disease.

The Minister of Trade and Commerce, Mr. C.D. Howe, announced that the importation of the following livestock, meat and meat products was prohibited, except under permit, by Order-in-Council, dated March 3, 1952. His announcement was made following a statement by the Minister of Agriculture.

Livestock prohibited entry, except under permit: Cattle and calves, sheep and lambs, other ruminants, and swine.

Meat and meat products prohibited entry, except under permit: Beef and veal, lamb and mutton, pork and pork products -- edible, inedible, fresh, frozen, chilled, smoked, cured, pickled or otherwise preserved, except canned.

The Order-in-Council was passed under authority of the Export and Import Permits Act and the Emergency Powers Act, and came into effect immediately.

Shipments of livestock, meat and meat products, which were in the hands of a common carrier on or before March 4, 1952, and casual or gift shipments or purchases not exceeding \$10 in value, will be permitted entry.

The new legislation, submitted by the Minister of Agriculture, provided for the "fair and reasonable compensation" of owners of animals slaughtered by reason of the existence of the disease, or for the destruction of any buildings fodder or grain ordered destroyed.

The statement to the House of Commons by the Minister of Citizenship and Immigration on the immigrant regulation was, in part, as follows:

"As from today no immigrant farmers or farm workers will be recruited or selected abroad if they are from an area where foot-and-mouth disease is prevalent. Second, no immigrant farmers or farm workers already selected, who may now be coming from an infected area abroad, will be placed in employment on farms until they and their effects have been thoroughly disinfected "

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CANADA'S AID TO ASIA (Cont'd. from p. 1)

operation. It is not possible for the Asian countries to carry out their plans for economic development without trained manpower and without the benefit of technical advice from the West. In addition, therefore, to the \$25,000,000 the Canadian Government contributed to the Colombo Plan for Economic Development in the area for the year 1951-52 and to the same amount for 1952-53 for which Parliamentary approval will be sought, the Government secured Parliamentary authorization for an appropriation of \$400,000 to the technical co-operation programme for South and South-East Asia for each of the past two fiscal years and is recommending a similar contribution for 1952-53.

"Many of you may have come in contact with some of the 50 trainees chiefly from India and Pakistan, who have already come to Canada under this scheme. In addition, during this past year we have received three technical missions composed of senior officials from India, Pakistan and Ceylon. Some of the Indian members of the agricultural mission were particularly interested in the agricultural co-operative movement in this country and hoped to apply some of what they had learned from members of the Co-operative Union of Canada when they returned to their jobs at home.

"We have had greater difficulty in meeting requests for experts but we are doing our best. A fisheries consultant from British Columbia has been sent to Ceylon to assist in the development of the fishing industry and he

was followed by a refrigeration engineer to work in the same field. In addition, the Canadian Government is defraying the expenses of a survey to be undertaken in Pakistan by the Commonwealth Biological Control Service with a view to setting up a biological control station there....

"The Canadian Government regards the Colombo Programme for Technical Co-operation as a temporary supplement to the technical assistance activities of the U.N. and the Specialized Agencies in South and South-East Asia. We consider it important, therefore, not only to avoid any duplication or overlapping between the U.N. programmes and the Colombo Programme but also to insure that every effort is directed towards integrating them to as large an extent as possible.

"As part of our activities this year under the Colombo Programme we have invited an Asian public health mission to come to Canada. This mission will be composed of 12 fairly senior public health officials from those countries who will study the organization and administration of our public health services in Canada at federal, provincial and municipal levels....

"At the request of the Government of Pakistan, we have offered to give training in Canada in public administration to 12 young Pakistani civil servants. But in drawing up the programme we are consulting the public administration officials of the U.N. Technical Assistance Administration who have built up a detailed knowledge of Asian requirements in that field.

"There are two other considerations which should guide our participation in both the U.N. and the Colombo Programmes. First, we should concentrate on the training of middle and lower grade workers and technicians and secondly, we should concentrate on the training of these people in the areas in which they live. The Asian countries themselves have requested this training in the report which is the basis of technical assistance activities under the Colombo Programme, and the General Assembly of the United Nations has recently reaffirmed its belief in the same principles...."

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RECORD PETROLEUM PRODUCTION: Canadian production of crude petroleum and natural gasoline rose to a new peak in 1951. The gain was due almost entirely to a large expansion from sources in Alberta, largest increases being recorded by Redwater, Leduc, Acheson, Excelsior, Golden Spike, Joseph Lake, Stettler, and Lloydminster. There was a decline in output from the Turner Valley.

All-Canada output in the year aggregated 48,123,370 barrels, an advance of 65 per cent over the previous high of 29,093,724 in 1950. In December, 3,980,157 barrels were produced as compared with 2,602,930 in the same month of 1950.

JANUARY EXPORTS SET NEW VALUE RECORDS

GAIN OF 14 PER CENT: Canada's total domestic exports to all countries in January topped all previous value records for the month, rising to \$323,700,000 as compared to \$285,100,000 in January last year -- previous high for January -- for a gain of nearly 14 per cent. Following the usual seasonal trend, the January value was down from both December and November when exports were at their highest 1951 level.

More than half of the increase in value was due to higher prices. The volume was about 5.5 per cent higher than in January last year and this increase was mainly in shipments to Latin America and Europe. The value of shipments to the United States was about the same as in the previous year and the value of goods exported to the United Kingdom was only slightly higher.

Among the major commodities, newsprint paper, wood pulp, wheat, farm machinery, grains other than wheat, pulpwood, and copper showed marked gains, while there were decreases in planks and boards, nickel, aluminum, asbestos, fish, and wheat flour.

Exports to the United States were little changed in January at \$187,871,000 as against \$186,948,000 a year earlier, accounting for slightly more than 58 per cent of total exports as compared to 65.5 per cent. There was a sharp rise in exports in the iron group, small increases in agricultural and vegetable products and wood and paper, and a considerable increase in animals and products.

The value of exports to the United Kingdom in January rose to \$43,265,000 from \$40,054,000 last year, but this total was considerably

lower than in the preceding eight months. A sharp rise in the wood and paper group outweighed declines in the agricultural products and non-ferrous metals group, while the trend was mixed among the other smaller groups.

With Australia and the Union of South Africa accounting for a large part of the gain, total shipments to Commonwealth countries other than the United Kingdom rose in value to \$21,997,000 from \$15,999,000 a year earlier. Shipments to Australia increased in value to \$5,777,000 from \$2,465,000, and to the Union of South Africa to \$4,331,000 from \$2,716,000. There were smaller increases to Jamaica, Southern Rhodesia, and the Federation of Malaya, but a drop in exports to India.

Mainly as a result of sharply increased exports to Brazil, and lesser increases to Mexico, Panama and Peru, total exports to Latin American countries rose in January to \$28,764,000, more than double last year's corresponding total of \$14,043,000. Value of exports to Brazil climbed to \$12,324,000 from \$2,009,000 a year ago, and to Mexico rose to \$4,520,000 against \$2,743,000, Panama to \$1,296,000 against \$732,000, and Peru to \$1,836,000 from \$226,000.

Shipments to European countries in January rose in value to \$27,296,000 from \$16,429,000, with increases to Belgium and Luxembourg, France, Germany, Italy, Netherlands, Sweden and Switzerland, and declines to Ireland and Norway. Exports to the remaining group of countries rose in value to \$13,592,000 from \$10,362,000, substantial increases to French Africa, Israel, Japan, Indonesia and Syria -- accounting for most of the gain.

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\$30,000,000 TOY INDUSTRY: The Canadian toy industry represents big business today. In 1936 the output of all plants was valued at around \$3,000,000. During the next ten years production increased six-fold. Since then the combined production of the industry has continued its upward trend and, according to authoritative sources, the figure may approach \$30,000,000 for the current year unless curtailed by defence needs and other unforeseen factors. Canada is considered well to the front among the toy producing and consuming nations of the world. The Canadian toy industry has attained a maturity and strength that makes future growth almost a foregone conclusion. It has been estimated that Canadians spent \$5,000,000 on plastic toys in 1949. According to key executives in this field, plastic toys led the field that year in the under-the-dollar price range, accounting for almost 60 per cent of sales in that grouping.

The 12th Annual Canadian Toy Fair is being held March 3-7, in Montreal. (Foreign Trade)

GOVERNMENT PUBLICATIONS: The following is a selected list of Canadian Government publications received in the Library of the Department of External Affairs in February:

Department of Agriculture: Directory of Organization and Activities of the Department of Agriculture. 1952. Pp. 52.

Dominion Bureau of Statistics: Trade of Canada for year ended December 31, 1950. Vol. I-Summary and analytical tables. Pp. 315. Vol. III-Imports. Pp. 392. Price \$2.00 each.

Dominion-Provincial Tourist Conference: 6th Dominion-Provincial Tourist Conference, Ottawa. December 3, 4 and 5, 1951. Summary reports of tourist activities 1951 and plans for 1952, submitted by Dominion and Provincial Departments and Transportation Companies. Pp. 45.

Royal Commission on Transportation: Report of the Royal Commission on Transportation. (W.F.A. Turgeon, Chairman). February 9, 1951. Pp. 307.



CANADIAN WEEKLY BULLETIN

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WEEK'S EVENTS IN REVIEW

OPENING OF PARLIAMENT: The Sixth Session of the Twenty First Parliament of Canada was opened with traditional ceremonies on the afternoon of Thursday, February 28. The Speech from the Throne was read by the Right Honourable Vincent Massey, C.H., Governor General, who had been installed in a brief, dignified ceremony in the Senate Chamber that morning.

The Prime Minister, Mr. St. Laurent, and Mr. Massey made brief addresses at the ceremony of installation. Mr. St. Laurent, after asking His Excellency to convey to Her Majesty the Queen the renewed sympathy of all Her Canadian subjects, expressed the gratification felt by members of the Government, "that Your Excellency has entered upon the duties of the high office to which His late Majesty was pleased to appoint, for the first time, one of his Canadian subjects." Mr. Massey replied, in part:

"To speak of the high, indeed the overwhelming honour of being asked to assume this great post is an understatement of the truth. As I consider the meaning of the office to which I have been called, the prestige it has gathered over the years, its role in this great country whose citizens we are so proud to be, I can only say to you quite simply that I approach my task in all humility."

The Speech from the Throne, read by His Excellency at the opening of Parliament, heralded, among other measures, legislation to revise the Immigration Act, readjust representation in the House of Commons, completely revise the Criminal Code, and for preparatory steps in connection with the establishment of a National Library.

Opening with an expression of deepest sympathy in their bereavement to all the members of the Royal Family, the Speech noted the deep and lasting impression made on her Canadian subjects by Her Majesty during her visit and said, "The situation throughout the world continues to cause concern and to require my Ministers to devote a great deal of attention to our external affairs." The portion dealing with impending legislation read as follows:

"Amendments to legislation relating to our armed forces will be submitted for your approval.

"Your approval will also be sought for a further Canadian contribution to the Colombo Plan and for technical assistance to under-developed areas.

"A Japanese Peace Treaty has been signed and will be submitted for your consideration....

(Continued on P. 6)

CURRENT AFFAIRS COURSES: A number of French-speaking officers from Canada's Armed Forces are to be trained as Group Discussion leaders in Current Affairs, it was announced on February 21 by National Defence Headquarters. Courses of two weeks' duration will be held at the R.C.A.F. Manning Depot, St. Johns, Quebec, commencing February 25. Courses for English-speaking officers were held at Camp Borden.

The course is designed to train officers to lead discussion groups on matters of national and international importance. Serving members of the three Armed Services are to meet one hour a week during working hours for these discussions.

Lectures during the course will be given in French by specialists from the universities of Laval, Montreal, McGill and Ottawa, the Department of Trade and Commerce and the Department of External Affairs. One of the special speakers during the course will be Dr. James E. Russell from the Teachers' College of Columbia University, New York, who has been conducting research into methods and techniques that could be used by the Armed Forces of the United States in their discussion groups.

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FIELD CROPS \$1,977,105,000: Gross dollar value of principal field crops produced on Canadian farms in 1951, based on average prices received by farmers during the August-January period of the current crop year, is now estimated at a record level of \$1,977,105,000. This compares with the previous record of \$1,854,500,000 set in 1950.

The present estimate represents a substantial advance over the preliminary estimate of \$1,856,000,000, released on December 13 last. The increase is due primarily to the recent increase in the initial price paid to Western Canadian farmers for wheat. Other contributing factors have been interim payments on sugar beets and price advances in individual crops, particularly potatoes.

On the basis of current estimates, the wheat crop accounts for \$755,000,000 or approximately 38 per cent of the total value of 1951 field crops.

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ELECTORAL DISTRICTS: Final totals of population of the federal electoral districts in June last year, released by the Dominion Bureau of Statistics in its first bulletin containing final results of the 1951 Population Census, show wide variations in the populations of constituencies.

Largest in population size among one-member ridings is York East with 159,652, West York being next with 126,420 and Welland third with 123,233 persons. Exceeding all three is the two-member riding of Halifax with 162,217. Smallest in population is Iles-de-la-Madeleine with 9,999, with Glengarry next lowest at 17,702.

HMCS SIOUX SAILS FOR CANADA HMCS Sioux, first Canadian warship to complete two full tours of operations in the Korean war theatre, is scheduled to return to her home base at Esquimalt, B.C., March 8, Naval Headquarters has announced.

The Sioux was relieved on February 13 by HMCS Nootka and set sail the following day for Canada. The former ship had been in the Far East since early last May. Out of the past 19½ months, she has spent all but two either on duty with the United Nations fleet or on passage to or from the war zone.

The Nootka sailed from Halifax December 30 on the 12,600-mile voyage to the Far East. On February 14, the day after her arrival in the Japanese port which serves as a base for the Canadian warships, she put to sea, in company with other United Nations units, on operational duty.

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TEACHERS' SALARIES SURVEY. Annual average salary rates for teachers in publicly-controlled schools were generally higher in Canada in 1950 than in 1949, according to an advance release of 1950 salary data for eight provinces by the Dominion Bureau of Statistics.

The median salary for all schools was highest in British Columbia at \$2,668, showing an increase from \$2,502 the previous year; while Newfoundland had the lowest at \$966, down from \$976 in 1949 due to an increase in the number of unqualified teachers.

Alberta had the second highest median for all schools with \$2,279 compared to \$2,163. Ontario was next at \$2,109 compared to \$1,974, followed by Manitoba with \$1,689 compared to \$1,593. For Saskatchewan, the 1950 median was up to \$1,580 from \$1,514.

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OIL PIPE LINE RECORD. Net deliveries of oil through all Canadian pipe lines in October totalled 8,740,427 barrels, the highest monthly figure recorded to date and 412,100 barrels or 4.9 per cent above the September aggregate of 8,328,327 barrels. October net deliveries by trunk lines alone were a record for the year at 8,537,820 barrels, up 453,385 or 5.6 per cent from the September figure of 8,084,435. However, gathering lines again declined in net deliveries and registered 202,607 barrels against 243,892 barrels in September. Cumulative net deliveries during the first 10 months of 1951 totalled 73,142,299 barrels.

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D.B.S. STATISTICAL REPORTS: The final detailed report on Canada's imports by articles and countries of origin for the calendar year 1950 has been released by the Dominion Bureau of Statistics.

The Bureau also has released part II of a statistical handbook of agricultural statistics.

194,391 IMMIGRANTS IN 1951: The Minister of Citizenship and Immigration, Mr. Walter Harris, told the National Advisory Council on Manpower on February 26 that Canada had admitted a total of 194,391 immigrants during 1951. Of this number workers totalled 114,786 with the remainder dependent wives and children. The intake, he said, had increased the working force in Canada by just over two per cent and the Canadian population by about one and a half per cent.

The total of immigration for the seven years since the end of World War II had been 630,754 Mr. Harris said, representing about 4.5 per cent of the present Canadian population. Of the workers admitted last year 25,890 had been for the farms, and 31,007 unskilled and semi-skilled. The total of skilled workers had been 33,682 while 6,531 had been female domestics.

Referring to the fact that there had been some unemployment among immigrants this winter, Mr. Harris said that the greatest number of workers and dependents in the hostels operated by the Department of Citizenship and Immigration and by the Department of Labour had been 3,662. This peak had been reached on January 19 and since that time the numbers had declined.

DEMAND FROM FARMS

He also told the Council -- indicating the demand which exists -- of a shipload of immigrants numbering about 800 which had arrived late in January. Two days later all but two families in this group, destined for Canadian farms, had been placed.

Dealing with the suggestion that immigration might have had an effect on seasonal unemployment, Mr. Harris said there was good evidence to support the belief that immigration had been something of a safeguard against a more severe slowing up. He pointed out that in the winter of 1949-50 the total of unemployed had been higher than the peak is likely to be this year although the number of immigrants brought in during 1949 had been approximately 100,000 fewer than in 1951.

The Minister outlined the factors by which the absorptive capacity of the country is estimated and said it was his belief that the intake, in the foreseeable future at least, could be made in the expectation that the Canadian economy would remain buoyant. This was taking into account those factors which might result in reduced opportunity in some fields.

Discussing plans for 1952, which he said would be announced at a later date, it was his opinion that it was in the interests of Canada and the Canadian people to admit a substantial number of new immigrants during the employment season of the next few months.

TREATMENT FOR THE BLIND: Surgical or remedial treatment to restore sight is now available for suitable recipients of blindness allowances, the Minister of National Health and Welfare, Mr. Paul Martin, has announced. The new treatment scheme is an outgrowth of an experiment begun in 1949.

In making the announcement, Mr. Martin stated that under the previous experimental treatment programme 76 blind pensioners have been treated. Of these, 46 have had good vision restored. The youngest treated was 36 years of age and the oldest 68. The greatest success has been achieved in the removing of cataracts.

All provinces have been invited to join the scheme, and it is expected that several more will do so shortly in addition to the four -- Newfoundland, Nova Scotia, New Brunswick and Quebec -- who have already joined the programme. The federal Government pays 75 per cent of the cost of treatment and the provinces the remainder.

The saving in blind pensions during the experimental treatment period just completed has been considerably greater than the total cost of the surgical or remedial care given.

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WHOLESALE PRICES DOWN: General wholesale prices moved downward in January for the sixth successive month to reach their lowest level in exactly 12 months, according to price index numbers compiled by the Dominion Bureau of Statistics.

The general index number of wholesale prices, on the base 1935-39=100, declined to 236.8 from 237.6 in December, but it was 4.5 points above the January, 1951 index of 232.3. The index number for Canadian farm product prices was 256.5 as against 260.2 in December and 251.0 a year earlier.

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CRUDE PETROLEUM: Production of crude petroleum and natural gasoline advanced 29 per cent in November over the same month of 1950, and there was a pronounced rise in the first 11 months of 1951 over a year earlier. Output from all areas in the month amounted to 4,106,457 barrels as compared with 3,190,724 in November, 1950. In the 11 months, 44,143,213 barrels were produced against 26,490,794 barrels in the similar period of 1950. Wells in Alberta accounted for 3,971,162 barrels in November compared with 3,069,043 a year earlier.

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NEW RCAF SCHOOL AT CALGARY: The RCAF will open a new flying training school for pilots at Calgary early in March, it has been announced by Air Force headquarters.

MANPOWER PICTURE FOR 1952: The National Advisory Council on Manpower meeting in Ottawa on February 26 under the Joint Chairmanship of Mr. Arthur MacNamara, Deputy Minister of Labour, and Mr. Norman Robertson, Clerk of the Privy Council, approved of a recommendation urging employers to do everything possible to so arrange their work schedule throughout the entire twelve months as to flatten out employment and unemployment peaks and valleys resulting from seasonal conditions.

The Committee heard a report by the Economics & Research Branch of the Department of Labour which pointed out that even during years of high economic activity, there were between 150,000 and 225,000 persons seasonally unemployed each winter. These figures did not include all the seasonally unemployed because they did not include unemployed workers who failed to register with the National Employment Service. This meant waste of manpower and, over and above the amounts paid in unemployment insurance, financial burdens to communities and private individuals.

There were two general approaches to the problem--one was to stabilize employment in the industry affected throughout the year, and the other to facilitate shifts of workers between industries having peaks of employment at different times of the year. In the case of labour shifts, these were being assisted now by federal-provincial schemes.

NO SERIOUS SHORTAGE

First reports heard by the Advisory Council meeting indicated that although shortages of certain categories of workers would exist, no serious shortage of manpower was likely to occur in 1952 in Canada.

A report of the Economic Research Branch of the Labour Department foresaw, "Last Year's concern about an overall manpower shortage will probably be replaced this year by somewhat greater concern with the problems of local labour surpluses."

The mining industry required skilled miners, and this summer agriculture labour would be in short supply, particularly at the harvest season. Skilled construction workers would be in short supply in the spring and summer, particularly on the two coasts and in certain outlying districts.

The impact on employment of federal Government defence expenditures has been steadily growing. Employment levels in the fifteen industries that are most directly involved in the defence programme have risen by a total of 62,000 since hostilities began in Korea.

Also of particular importance to the manpower situation has been the large resource development programme going forward in Canada. Private investment in durable physical assets

(other than housing) totalled \$3,065,000 in 1951, an increase of 12 per cent in value and 5 per cent in volume over 1950. Capital outlays were substantially higher than the previous year in the mining, manufacturing and utilities fields and this pattern seems likely to continue throughout 1952.

* * * *

SOCIAL ACTION COUNTERS COMMUNISM: "The money to be spent on social security this year by all Governments in Canada, and by the voluntary agencies, will total \$1 1/3 billions," said the Minister of National Health and Welfare, Mr. Paul Martin, in an address at the University of Rochester on February 28. "By itself, this seems an impressive figure, but the reasonable level of social expenditures in Canada is indicated by the fact that they have never exceeded 5% of our gross national product."

After listing and explaining Canada's five federal major social security measures, which he called, "Canada's pillars of social justice" - unemployment insurance, the Veterans' Charter, family allowances, the National Health Programme, and the Old Age Security Programme - the Minister concluded as follows:

"The great question of today is not how many square miles or millions of people have been conquered by Communist armies or terrified by threat of Communist force, but rather how many human minds and hearts have fallen captive to its philosophy. In the United States and Canada, in our experiments with social legislation, we are moulding a society that is not only prosperous but humane and neighbourly as well.

"For the first time in human history we are within reach of satisfying man's material needs, while respecting human rights and aspirations. The success of our democratic society has confirmed our own people's belief in it. More important still, our example has strengthened the faith of ordinary men and women in many lands in the future that lies open only to those who keep in their own hands the direction of their destinies.

"The great achievement of this century will not be the containment of Nazism or Fascism or Communism, or their rejection by the common people of this earth. The irresistible forward movement of humanity cannot long be delayed by Communist ideas or Communist armies. The years ahead hold exciting, tremendous possibilities for advances led by the progressive nations, nurtured in freedom, and inspired -- not by self-interest, not by any blind ideology -- but by far-sighted, warm-hearted concern for the welfare of the world's people, in the conviction that the welfare of each is the welfare of all."

SIR OLIVER FRANKS DECLINES NATO POST Sir Oliver Franks, the United Kingdom Ambassador in Washington, has informed Mr. Lester B. Pearson, Secretary of State for External Affairs of Canada, and Chairman of the North Atlantic Council, that it will not be possible for him to accept the invitation extended by the Council on Monday last from Lisbon, to become the Secretary-General of the North Atlantic Treaty Organization.

In his message to Mr. Pearson, Sir Oliver said that he was greatly moved by the evidence of confidence and trust reposed in him by the members of the North Atlantic Council, but that after giving most serious consideration to the invitation, he was sorry that he could not see his way to accept it. He asked Mr. Pearson to convey to the members of the North Atlantic Council his high appreciation of their invitation.

Mr. Pearson is asking the North Atlantic Deputies in London to meet as soon as possible to give further consideration to the question of the appointment of a Secretary-General.

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MATERIALS REQUIRED FOR SEAWAY: Exclusive of requirements for machinery and equipment in powerhouses, the approximate quantities of materials required for building the proposed St. Lawrence seaway and power development would include 178,800 tons of steel, 4,400 tons of copper, 7,630,000 barrels of cement and 118,700 thousand board feet of lumber. These figures were given to the Peterborough Branch of the Engineering Institute of Canada on February 27 by Mr. G. Gordon McLeod, economist-secretary to the Minister of Transport.

The figures quoted by Mr. McLeod were based on a Canada-United States joint undertaking and included the works in the international rapids section, in the upper lakes and in the navigation developments in the Lachine section. He said that roughly half of this material would be required in Canada and would spread over a period of five or six years. "As far as Canada is concerned," he said, "the average annual steel requirements will be a little more than 2 per cent of present total annual consumption, and the average annual cement requirements about 4 per cent."

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MR. WAINMAN-WOOD TO HELSINKI: The Department of External Affairs announced on February 23 the posting of Mr. T. Wainman-Wood, Second Secretary and Vice-Consul, to be resident officer at Helsinki. The Canadian Minister to Sweden, Mr. T.A. Stone, who is also Canadian Minister to Finland, will continue to visit Helsinki periodically. In his absence Mr. Wainman-Wood will act as Chargé d'Affaires a i

STRIKES AND LOCKOUTS: Almost 80 per cent of the total time lost and 81 per cent of the total number of workers involved in work stoppages arising from industrial disputes in Canada during January, 1952, was accounted for by the strike of street railway employees in Toronto, according to a preliminary summary of strikes and lockouts released by the Department of Labour.

This one work stoppage of street railway employees in Toronto involved 4,668 workers and accounted for a time loss of 60,000 man-working days.

Preliminary figures for January, 1952, showed 15 strikes and lockouts in existence, involving 5,749 workers with a time loss of 75,220 man-working days, as compared with 19 work stoppages in December, 1951, with 12,587 workers involved and a time loss of 117,045 days.

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OFFICER CADETS TO TRAIN IN EUROPE. In an unprecedented officer training programme, the Canadian Army will send seventy-four university undergraduates to Europe for the summer of 1952 where they will train with the 27th Canadian Infantry Brigade, Army Headquarters announced on February 21.

The plan is one of the most attractive yet offered to the university members of the Canadian Officers' Training Corps. Those selected will be drawn from third year students about to undergo the third practical phase of their COTC training. Quotas will be allotted to Army Commands to permit as wide a contingent representation as possible.

Tentative sailing dates have been listed for May 5, 19, June 2, and 30.

In Europe the officer cadets will be attached to various Canadian Army units now training in Germany, and have an opportunity of serving with the forces of NATO in Europe.

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CHAIN STORE SALES PEAK. Canadian retail chain store sales reached an all-time peak value of \$1,559,693,000 in 1950, an increase of 10 per cent over the previous high total of \$1,420,081,000 in 1949. Number of stores in operation during the year rose from 6,839 in 1949 to 7,155 in 1950, and average sales per store reached a new high of \$218,000 as against \$208,000 the year before.

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WHEAT STOCKS. Visible supplies of Canadian wheat in store or in transit in North America on February 7 amounted to 220,750,357 bushels as compared with 222,060,128 a week earlier, and 215,853,245 on the corresponding date last year.

(Continue! from P.1)

OPENING OF PARLIAMENT

"As a measure designed to assist in the development of our natural resources you will be asked to consider legislation to enable the Canadian National Railways to construct a branch line between Terrace and Kitimat in British Columbia.

"You will be asked to consider legislation to amend the War Veterans Allowance Act 1946 and the Veterans Benefit Act 1951.

"A bill to revise the Immigration Act will be placed before you. If that bill can be finally dealt with during the present session, related amendments to the Canadian Citizenship Act will be submitted.

"You will be asked to approve a bill to authorize the federal Government to enter into new Tax Rental Agreements with the Provinces.

"You will be invited to consider a measure to provide for the readjustment of representation in the House of Commons.

"You will be asked to consider a complete revision of the Criminal Code prepared by a Commission which has been engaged on this project for the past three years.

"A bill will be introduced to authorize certain preparatory steps in connection with the establishment of a National Library.

"A bill will also be presented respecting Trade Marks.

"Other measures to be introduced will be amendments to the Food and Drugs Act; the Canada Grain Act; the Cold Storage Act; the Canadian Farm Loan Act; the Civil Service Superannuation Act; the Currency Act; the Canada Shipping Act; the Northwest Territories Act; the Aeronautics Act; the Radio Act; the Government Employees Compensation Act 1947 and the Unemployment Insurance Act 1940...."

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INTERNATIONAL TRADE FAIR: A marvel of miniature engineering is the first exhibit to arrive for the 1952 Canadian International Trade Fair, to take place from June 2 to June 13. The exhibit is a 16-ft. miniature sawmill, perfect in every detail, which operates exactly as a full-size mill, reducing pint-sized logs into neat, tiny boards. The model, which took 11 years to build, represents 10,000 hours of actual working time by a British Columbia technician, Philip Quelch, Field Engineer for a Canadian saw company exhibiting its products at the Trade Fair.

Built on a scale of one inch to one foot, the miniature mill includes in its construction scrap pieces from a sewing machine, a washing machine, a piano, an old chandelier and a baby carriage, among other items. It contains 31 feet of conveyor chain, all made from wire, while the band saw has 240 pounds strain. The miniature is an example of an ordinary West Coast mill but is not a model of any particular one.

Canadian space bookings for the Fair now total almost 57,000 square feet, 16,000 square feet more than the entire amount taken by Canadians in last year's Fair. More than 40 per cent of the Canadian exhibitors are newcomers.

Two countries new to the Fair this year are Denmark and Finland -- Denmark with milking machines, diesel motors and an information booth, and Finland with a Government Trade Information exhibit.

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IMMIGRATION STATISTICS: The following table, prepared by the Department of Citizenship and Immigration, shows the totals of immigrants to Canada by sex, occupation and destination for the Calendar Year 1951:

	From Overseas	From U.S.A.	Totals
Sex			
Adult Males	93,133	2,685	95,818
Adult Females	50,118	3,121	53,239
Children under 18	43,408	1,926	45,334
Totals	186,659	7,732	194,391
Occupation			
Farming	25,639	251	25,890
Unskilled and Semi-skilled ...	30,551	456	31,007
Skilled	32,988	694	33,682
Clerical	4,858	459	5,317
Professional . . .	3,390	611	4,001
Trading	2,444	512	2,956
Female Homes- tics	6,477	54	6,531
Others	4,570	832	5,402
Total Workers .	110,917	3,869	114,786
Dependent Wives .	32,949	1,989	34,938
Dependent Children	42,793	1,874	44,667
Total Depen- dents	75,742	3,863	79,605
Destination			
Newfoundland	207	52	259
Nova Scotia	1,785	250	2,035
New Brunswick ...	1,214	209	1,423
P.E. Island	178	33	211
Quebec	44,570	1,463	46,033
Ontario	101,522	3,320	104,842
Manitoba	8,511	238	8,749
Saskatchewan.....	4,020	158	4,178
Alberta	11,440	798	12,238
British Columbia.	13,198	1,196	14,394
Yukon and North- west Territories	14	15	29



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

MR. MCILRAITH TO KARACHI: The Prime Minister's Office announced on February 20 that Mr. George J. McIlraith, Parliamentary Assistant to the Minister of Trade and Commerce, will represent Canada at the next meeting of the Consultative Committee on the Economic Development of South and Southeast Asia (Colombo Plan). The meeting opens on March 24 and, at the invitation of the Government of Pakistan, will be held in Karachi. Mr. K.P. Kirkwood, Canadian High Commissioner in Pakistan, will attend the Consultative Committee meeting as Alternate Canadian Representative.

Other members of the Canadian Delegation are: Mr. R.G. "Nik" Cavell, Administrator of the International Economic and Technical Cooperation Division of the Department of Trade and Commerce, and Mr. G.D. Mallory, Department of Trade and Commerce, both of whom are, at present, visiting countries in the Colombo Plan area. Mr. G.S. Murray of the Office of the Canadian High Commissioner in Pakistan and Mr. Hume Wright of the Department of Finance will serve as Advisers.

The member countries of the Consultative Committee are: Australia, Burma, Cambodia, Canada, Ceylon, India, Laos, New Zealand, Pakistan, United Kingdom, United States and Viet Nam. The International Bank for Reconstruction and Development has also been invited to participate in the meeting.

The announcement said that the Government has decided to recommend to Parliament a contribution for 1952/53 of \$25 million for economic assistance and \$400,000 for technical co-operation under the Colombo Plan.

EXPORTS UP, IMPORTS DOWN: A summary of foreign trade figures for January released by the Dominion Bureau of Statistics shows an increase in the value of Canada's total domestic exports to \$323,800,000 from \$285,100,000 in January last year, and a decrease in estimated total imports to \$307,400,000 from \$327,200,000.

Domestic exports to the United States rose slightly to \$187,900,000 from \$186,900,000, and to the United Kingdom advanced to \$43,300,000 from \$40,100,000. Estimated imports from the United States declined to \$229,400,000, as compared to \$233,300,000, and from the United Kingdom were down to \$24,300,000 as against \$33,900,000. January import figures are preliminary.

CANADA FOURTH WORLD TRADER: Despite her relatively small population, Canada is one of the world's major trading nations and is fourth ranking exporter and importer, the Department of Trade and Commerce reports in its February 9 issue of "Foreign Trade." For some years previous to 1951 Canada ranked third in exports as well as in imports. Then the Canadian totals were only slightly more than those of France. But in 1951 the gap between the trade of both countries widened in favour of France, although the trade of both continued to increase considerably.

Canada stands first in exports and imports per capita when compared with the ten major trading countries. Belgium, which is second, is still far behind Canada. The per capita

SEAWAY IMPORTANT FOR WARTIME SHIPBUILDING

MR. CHEVRIER'S REVELATION: A well-kept wartime secret was revealed on February 18 by the Minister of Transport, Mr. Lionel Chevrier, in addressing the Canadian Club of Toronto. The revelation took place during the course of an address on the St. Lawrence Seaway project when discussing the possibilities for constructing inland shipyards of "any but the largest of naval and other ocean vessels" and thus adding "flexibility and dispersal" to a wartime shipbuilding programme.

"Did you know that 28 large submarines and 72 cargo vessels of 5,000 ton capacity were built there (in Great Lakes yards) and squeezed out with great difficulty through the Chicago drainage canal and the Mississippi River?" asked the Minister. He expressed the view that "a completed Seaway would remove that limit on vessel size and permit expeditious movement into ocean service."

MOVEMENT OF IRON ORE

Discussing the comparative degrees of importance in the contributions a completed Seaway would make to any major defence scheme, the Minister placed transportation of iron ore ahead of all others. He thought that "without the Seaway, imported ore would move over ocean routes highly vulnerable to submarine attack. With the Seaway open, however, all the necessary ore could be moved from Labrador in comparatively safe inland waters."

Another major defence contribution, said the Minister, would be the creation of a "reserve of power in the industrial heart of Canada." He suggested that "additional developments must soon be initiated beyond those now in hand, to provide both for growth in peacetime demand and for emergency requirements." Stating that "war intensified the demands for metals, chemical and other products that are large consumers of electrical energy," he pointed out that new power development in southern Ontario "may no more than keep up with peacetime demands, leaving no adequate reserve capacity to draw on in an emergency" and that "in Quebec, reserve capacity is low at present."

Modern war requires highly specialized industrial production in great volume and the "stronger and more diverse our productive machinery in peace, the better we are prepared

for war," said Mr. Chevrier. He predicted that the "combination of power and waterway development will bring further expansion of industry and increase our economic strength and versatility." Moreover, he said, "the Seaway will permit a greater dispersal of production, a big factor in the defence of industry."

Of great importance, said the Minister was the fact that the Seaway would provide "an additional transportation route between factory and battlefield" and that it would be "literally invaluable as an alternative means of transportation in a third world war."

Admitting that he had "long been an enthusiastic advocate of the project," Mr. Chevrier expressed the belief that "Canada needs the St. Lawrence seaway and power development at the earliest possible date. We believe it is important for economic development and urgent for national defence. We believe not merely that it can pay its own way, but that the benefits will far outweigh its original cost."

1941 SEAWAY AGREEMENT

In view of the great benefits that he said would also accrue to the United States with the completion of the Seaway project, the Minister expressed the hope that "the weight of far-sighted opinion there will bring prompt and decisive approval of the 1941 agreement."

Failing that, he said "we must ask our friends in the United States to unite in support of a plan for an international power development, whereupon Canada will provide the canals of a complete deep waterway." He estimated that the cost of adding the navigation facilities from Montreal to Lake Erie would be about \$250,000,000 the cost of which would be met by the levying of tolls which would be borne "by the users and the beneficiaries of the facilities."

In conclusion, the Minister said that the Governments of Canada and of the United States thought alike on the development of the St. Lawrence Waterway. "I believe the vast majority of our people think alike, but we must translate this thinking into action. We must act together upon it so that in the days to come the Canadian and American people will, for their own safety and the good of all, walk together in majesty, in justice and in peace."

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WINGS FOR ALEXANDER: Air Marshal W. A. Curtis, Chief of the Air Staff, presented Viscount Alexander with RCAF pilot's wings at a ceremony at Government House on February 14.

The Wings were presented to Viscount Alexander to note the many hours that the former Governor General flew with the RCAF and as a mark of the esteem in which he is held by all service personnel. During his term of office

Viscount Alexander flew many hours at the controls of RCAF North Stars and Dakotas in Canada, the United States, South America, the United Kingdom and over the Atlantic. In thanking Air Marshal Curtis, Viscount Alexander said that it was an honour he would cherish almost more than anything else he had received in Canada.

VISCOUNT ALEXANDER S FAREWELL: As he was about to sail from Halifax for England on February 17, Viscount Alexander, former Governor General, delivered the following farewell message to Canadians:

"My friends, I am speaking to you on my departure from Halifax where I am about to embark for England to take on further responsibilities of national importance. And I leave you on a sad and sorrowful occasion when we mourn the loss of a beloved King whom it was my privilege to serve as his Personal Representative in Canada. If time had permitted, I would have liked to have made a final tour of the country to bid you farewell in person, but unfortunately that was not possible, so I must send you my message of farewell over the air.

"You can rest assured that I leave you and Canada with great regret. It is not my personal wish to go before my term of Office as your Governor General is ended, but I go because I believe that it is my duty to take on other responsibilities which I have been asked to assume.

HAPPIEST SIX YEARS

"Let me tell you that my wife and I have spent the happiest six years of our life amongst you and that our children who have grown up as young Canadians love this country and its people as we do. For us, Canada has become our second home, and we shall always look upon it as such.

"In handing over my responsibilities as Governor General, I am glad that it is to someone who is not only a personal friend of mine, but one who is a distinguished and well known man who has all the attributes and qualifications which will make him a worthy representative of Our Queen. I feel sure that you will give him the support and trust which you so generously gave me.

"The affection and friendship of the Canadian people is one of my most treasured possessions, and I can never express in adequate terms my gratitude to you for all you have given to me and my family during the six years we have lived in Canada.

"I return to the Old World with its difficulties and problems, but I go fortified with your friendship and with the spirit of this New World. It is this spirit which founded Canada as a nation and which has set her on the road to a golden future.

"It is true of course that fate has been kind to your country in the great natural resources which the soil of Canada possesses. But these great riches have lain in the rocks and soil for millions of years. It wasn't until the coming of the white man, and not so long ago that nature's great gifts were unearthed.

"And this you owe to the early pioneers, first the French, then the Anglo Saxons and later to the coming of other nationals - all

pioneers in the development of Canada. And you owe it also to the enterprise and initiative of your own generation. Today, with a population of only 14,000,000 Canada is one of the richest countries in the world and the real development of Canada is really only just beginning. If nature has been kind to the Canadian people, nature could not have chosen a finer people upon whom to shower her gifts.

"But I would ask you to realize that material wealth is not the only thing of value in life. There are other values even more important. I speak of the moral and spiritual values which form the character of a people and make them truly great. I feel confident that you have these values in full measure within yourselves as I know you have vast potential wealth in the soil of Canada.

"I have been intimately acquainted with the Canadian people both in war and in peace and I am proud to have had the privilege of witnessing at first hand the rise of a new nation which is going to play an ever growing role in the world's affairs.

"If I leave your hospitable shores with regret, I leave with pride knowing that you, my friends, have a future of happiness and prosperity ahead of you.

"Good luck and God bless you all."

* * * *

WHEAT FOR GREECE: It was announced from the Prime Minister's Office on February 19 that the Canadian Government has authorized a gift of 500,000 bushels of wheat, at a cost of approximately \$825,000, as a contribution to famine relief in Greece.

The wheat will be donated in unmilled form to the Canadian Red Cross Society which has undertaken to arrange to have it milled in Western Canada and transported to Greece. It is expected that the flour will reach Greece in April.

Its distribution to the most distressed areas will be supervised by the Greek Red Cross Society in collaboration with the Canadian Embassy in Athens.

The gift is being made in response to urgent appeals received from the Canadian Red Cross Society and other relief organizations familiar with the distressing conditions in northern Greece, where thousands of inhabitants are living under conditions approaching a starvation level.

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RETAIL SALES UP 10 P.C.: Canadians spent an estimated \$10,400,000,000 in retail establishments in the full year 1951 -- highest annual amount on record. This was 10 per cent above the preceding year's total of \$9,467,000,000. Sales advances were shown for all regions and all but three trades. Largest increases in the year, the individual trades were 16.6 per cent for motor vehicle dealers and 15.3 per cent for grocery and combination stores.

EXERCISE "SUN DOG THREE": Army and Air Force units have returned home following the conclusion of "Sun Dog Three", a joint training exercise held February 4 to 14 in the Labrador-Ungava Bay area to afford training in airborne assault operations under cold weather conditions to Active Army and R.C.A.F. Regular and Auxiliary units.

The Exercise, of a limited nature and held purely for training purposes, assumed that a small enemy force had captured the airfield at Chimo, in the Ungava. The enemy force was represented by elements of the 1st Battalion, Royal Canadian Regiment.

The R.C.A.F.'s 412 and 435 Squadrons airlifted men and supplies into Goose Bay, Labrador, which served as an advance base from which air strikes and a paratroop assault were flown. The "enemy force" laid out a target area at Chimo, some distance from the air field, duplicating with trees and canvas features of runways and buildings. Reconnaissance flights were carried out by the Air Force which reported on enemy strength. Bombing attacks, using 500-pound bombs, and machine gun strafing of the target area were flown by 406 and 418 Auxiliary Squadrons, using twin-engine Mitchells.

Following "softening up" of the enemy-held air field a para troop drop was made by members of the Royal 22nd Regiment, who were flown from Goose Bay for the operation. Assembling on the ground after their parachute drop the Army paratroopers carried on to dislodge the enemy from the air field. Supplies were landed at the Chimo airfield following dislodgement of the enemy force.

A group of 13 official observers including representatives from the United Kingdom and the United States, viewed the exercise. Army and Air Force umpires are compiling a detailed report for use in further training.

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SAYS SEAWAY TO 'OUTRANK SUEZ: Drawing a parallel between the proposed St. Lawrence Seaway and the Panama and Suez canals, the Minister of Transport, Mr. Lionel Chevrier, told the St. Catharines Chamber of Commerce on February 20 that the traffic foreseen for the new canals and for the Welland would "outrank that on either of those famous canals". He took the view that the building of the Panama canal and the Suez Canal were logical projects "and would have been justified at several times their cost." The verdict, he said, must be the same on the proposed link between the Great Lakes and the Atlantic Ocean.

The Minister declared that "more traffic now passes through the locks at Sault Ste. Marie in a season than passes in twelve months through the Panama and Suez Canals combined."

U.S.A.F. TO PURCHASE SABRE JETS: The U.S.-A.F. will purchase a number of F-86E Sabre jet fighters being manufactured by Canadair Ltd of Montreal, it was announced jointly in Ottawa on February 17 with the authority of the Minister of Defence Production, Mr. C.D. Howe and the Minister of National Defence, Mr. Brooke Claxton, and in Washington by the Secretary of the Air Force, Mr. Thomas K. Finletter.

Canadair Ltd. which was licensed in 1949 by the North American Aviation Co. to make F-86's, has agreed to effect early deliveries of such aircraft from production currently underway.

Engines and other equipment which had previously been purchased by Canada from the U.S. will be incorporated in these aircraft. Procurement of such engines and equipment in the U.S. was initiated early in 1950 to supply F-86's manufactured in Canada for the R.C.A.F.

Deliveries of F-86's to the U.S.A.F. will be in addition to those manufactured by Canadair - with engines and equipment made in the U.S. - for the R.C.A.F. and the R.A.F.

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AUTO SALES DROP: Canadians bought fewer new motor vehicles in 1951 but they paid more money for them. There were 384,756 new passenger cars, trucks and buses sold last year with a retail value of \$946,062,124 compared with the \$885,669,039 value of the 429,695 new vehicles sold in the record year of 1950. All provinces registered declines over last year, the greatest drop, 23 per cent, occurring in British Columbia.

Sales of new motor vehicles in 1951 were in excess of 1950 for the months of January to April but declined for the balance of the year.

* * * *

CHAPLAINS' MEMORIAL. A Canadian Chaplains' Memorial Fund, created to provide educational opportunities for children, has been set up on a voluntary basis by the Royal Canadian Army Chaplain Corps (Protestant), it was announced on February 14.

The first of its kind in Canada, the fund is designed for the advancement of education for children of corps members who lost their lives or died as a result of active service in the Army.

* * * *

REFERENCE PAPER ON SCHOOLS: The Dominion Bureau of Statistics released a reference paper on the organization and administration of public schools in Canada. Prepared in cooperation with provincial departments of education, this 312-page reference paper was issued to meet a demand from students of education and others for descriptive material on the legal and administrative framework of the provincial systems as an aid to understanding Canadian education.

1951 COMMODITY TRADE MORE THAN \$8,000,000,000

ALL-TIME RECORD: Canada's commodity imports and exports both established all-time record values in 1951, each showing the largest dollar gains over the previous year of the postwar period to raise the value of Canada's total trade over \$8,000,000,000, a jump of 27 per cent from the previous peak total in 1950. As in the previous year, the rise in value of imports exceeded the gain in that of exports, the result being a considerably larger import deficit.

Larger volume as well as higher prices contributed to the larger gains in value of both exports and imports. Prices of domestic exports during 1951 averaged about 14 per cent above the 1950 level, while the volume of domestic exports was nearly 10 per cent greater. Prices of imports showed a comparable rise of about 14 per cent from 1950 but the volume of imports a larger increase of about 13 per cent.

MERCHANDISE IMPORTS

Total merchandise imports in the year were valued at \$4,084,900,000, an increase of \$910,600,000 or nearly 29 per cent over the 1950 value of \$3,174,300,000. Domestic and foreign exports totalled \$3,963,400,000 as compared with \$3,157,100,000, a rise of \$806,300,000 or 25.5 per cent. The result was an import surplus of \$121,500,000 in a total trade of \$8,048,200,000 as against an import surplus of \$17,200,000 in a total trade of \$6,331,300,000 the previous year.

Imports exceeded exports by substantial margins in each of the first six months of the year. In July there was a small export surplus and in August a smaller import surplus. This was followed by successively growing export surpluses in the last four months of the year. In December imports were valued at \$273,000,000, up moderately from \$266,300,000 a year earlier, while domestic exports and foreign exports were up sharply to \$385,000,000 as against \$293,500,000, yielding the exceptionally large credit balance of \$112,000,000 in the month as against one of \$27,200,000 for December, 1950.

ELECTRICITY OUTPUT SETS RECORD: Production of electric energy by Canada's central electric stations reached an all-time record total of 57,399,668,000 kilowatt hours in the calendar year 1951, an advance of 13 per cent over the previous peak of 50,902,519,000 in 1950. All provinces shared in the increase.

In contrast with 1950, when exports rose sharply, the main feature of the year's trade with the United States was the expansion in imports. Goods purchased from the United States rose 32 per cent in value of \$2,812,900,000 from \$2,130,500,000 in 1950, accounting for nearly 69 per cent of the total value from all countries as against close to 67 per cent the previous year. Domestic exports to the United States advanced 14 per cent to \$2,297,700,000 from \$2,021,000,000, representing 59 per cent of the total value of domestic exports as compared to 65 per cent in 1950. Foreign exports rose to \$36,200,000 from \$29,500,000. The excess of imports over exports consequently rose sharply to \$479,000,000 from the comparatively low figure of \$80,000,000 in 1950. Last year's deficit compares with \$427,800,000 for 1949, \$283,600,000 for 1948, and \$918,100,000 in 1947.

TRADE DEFICITS WITH U.S.

Canada had trade deficits with the United States each month of 1951, the largest being recorded in the first half of the year after which they tapered off to relatively low figures in November and December. Imports in December were valued at \$203,100,000 and total exports to \$193,100,000, leaving an import surplus of slightly under \$10,000,000.

Total trade with the United Kingdom last year showed a substantial rise in value over 1950 as the result of a moderate advance in imports and a considerable gain in exports. Imports were valued at \$421,000,000, up four per cent from \$404,200,000 the previous year, gains being recorded in eight of the twelve months. Due principally to sizeable gains in the second half of the year, domestic exports rose 34 per cent to \$631,500,000 from the low postwar value of \$469,900,000 in 1950, and foreign exports increased to \$4,300,000 from \$2,600,000. The result was a rise in the export surplus from the low figure of \$68,300,000 in 1950 to \$214,700,000. The latter figure, however, was still sharply below that for other postwar years.

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Consumption of primary power -- production, less net exports and secondary power -- rose to 51,895,212,000 kilowatt hours from 46,084,703,000 in the preceding year. Gross exports to the United States during the year advanced to 2,375,420,000 kilowatt hours from 1,925,780,000 the year before.

(Continued from P.1)

CANADA FOURTH WORLD TRADER

trade of Canada is three times as great as that of the United States. In the year ending September, 1951, Canadian per capita foreign trade, including both exports and imports,

was \$536, whereas that of the United States for the same period was \$173.

The following table shows relative trading positions.

Country	Exports		Imports		Total Trade	
	Sept. 1950-	Sept. 1951	Sept. 1950-	Sept. 1951	Sept. 1950-	Calendar
	(millions)		(millions)		(millions)	
United States	US \$13,974	US \$10,941	US \$24,915	US \$20,357		
United Kingdom	7,168	10,134	17,302	13,593		
France	4,116	4,102	8,218	6,130		
CANADA	3,529	3,841	7,370	6,240		
Germany	3,210	3,417	6,627	4,685		
Belgium	2,466	2,471	4,937	3,578		
Netherlands	1,851	2,525	4,376	3,480		
Australia	2,228	1,814	4,042	3,048		
Italy	1,517	1,928	3,445	2,641		
Brazil	1,688	1,742	3,430	2,444		

* * * * *

BRIG. ROCKINGHAM'S NEW POST: Brig. John M. Rockingham, CBE, DSO, commander of the 25th Canadian Infantry Brigade Group in Korea, will return to Canada after hand-over to his successor to become Director General of Military Training at Army Headquarters, the Minister of National Defence, Mr. Brooke Claxton, announced on February 18. Succeeding him in the Far East will be Brig. M.P. (Pat) Bogert, DSO, OBE, present Director General of Military Training.

This change in command is in line with the general policy of rotation which applies to all officers and men serving with the Canadian Brigade in the Far East.

Brig. Bogert is to report at brigade headquarters in Korea approximately April 15 and the actual change of command will take place at a date dependent upon operational circumstances at the time.

Brig. Rockingham raised and trained the 25th Canadian Infantry Brigade in Canada and completed brigade training at Fort Lewis, Wash., before proceeding with his troops to Korea in the latter part of April 1951. Since then he has earned a reputation as one of the most successful and colorful commanders in the Far East, and his brigade is generally conceded to be one of the best in the theatre and one of the finest fighting formations Canada has yet turned out.

Brig. "Pat" Bogert was born in Toronto, March 17, 1908, and is a graduate of Ashbury College, Ottawa, and of The Royal Military College of Canada. He was a lieutenant in the Royal Canadian Regiment before the outbreak of the Second World War and, three years later, was commanding the West Nova Scotia Regiment in the United Kingdom. Later he commanded this regiment in the Italian Campaign. He then held

a staff appointment at Canadian Military Headquarters in London and later returned to Italy as GSO 1st Canadian Division. He was promoted to the rank of Brigadier in October 1944 and appointed to command the 2nd Canadian Infantry Brigade.

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REHABILITATION CONFERENCE: Representatives of the federal and provincial Governments, Health and Welfare Voluntary Agencies, the Medical Profession, Organized Labour, and employers, gathered in Ottawa this week to plan the first steps in a long range programme designed "to prepare, preserve and restore the ability of the handicapped individual to work for pay and thus make himself self-supporting".

The first meeting of the 35-member National Advisory Committee on the Rehabilitation of Disabled Persons was opened by the Ministers of the federal Departments most concerned with the programme: The Minister of National Health and Welfare, Mr. Paul Martin; the Minister of Veterans Affairs, Mr. Hugues Lapointe; and the Minister of Labour, Mr. Milton F. Gregg.

* * * * *

GREAT LAKES TREATY: A treaty was signed on February 21 between Canada and the United States, providing for a uniform system of marine radiotelephony with the object of promotion of safety of life and property on the Great Lakes and as an aid to navigation. The document was signed by the Minister of Transport, Mr. Lionel Chevrier; by the United States Ambassador to Canada, the Honourable Stanley Woodward and by Commissioner E.M. Webster of the Federal Communications Commission, Washington



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INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

RECORD NATIONAL PRODUCT \$21.2 BILLION: Canadian output of goods and services in 1951 was at record levels, according to advance preliminary estimates issued by the Dominion Bureau of Statistics. The Gross National Product of 1951 is placed by the Bureau at \$21.2 billion, a rise of 18 per cent from 1950. Of this rise between five and six per cent is accounted for by increases in the real output of goods and services and 11 per cent by price increases.

Expenditure by business for investment in durable assets and inventories claimed a higher portion of the nation's output than in 1950. Government expenditure on goods and services also absorbed a larger share of the Gross National Product as a result of higher expenditure for defence, while the proportion absorbed by consumers for personal goods and services declined. Personal saving in 1951 was at its highest level since the end of the war; it rose from \$820 million in 1950 to more than double this amount in 1951.

These figures appear in a supplement to a major report, National Accounts, Income and Expenditure 1926-1950, released by the Bureau on February 7, which traces the growth and fluctuations in the Canadian economy during the period 1926 to 1950, and sheds new light on the structural changes which have taken place. Important new statistical information is presented, including a series of constant dollar (deflated) Gross National Expenditure showing changes in the real volume of Canada's

production of goods and services after eliminating the influence of price movements. Among the highlights of the new report is the fact that the real volume of Canada's production of goods and services has more than doubled during the quarter-century from 1926 to 1950.

The Bureau summarizes the highlights of the statistical trends by comparing the years 1928 and 1950, both years of relatively full use of economic resources. The following points are singled out:

From 1928 to 1950 the volume of Canada's production of goods and services rose by over 90 per cent. The average annual rate of increase in the physical volume of output was about three per cent per year. Canada's population grew at the rate of approximately 1.6 per cent per year during this period. Thus, on a per capita basis the physical volume of production increased at the rate of approximately 1.3 per cent annually. This increase in output has been achieved with less working time per worker, to the extent that the average number of man-hours worked per week declined during the period.

Turning to the manner in which this increase in real production has been utilized, the Bureau notes further that, in real terms, personal expenditure on consumer goods and services rose by 93 per cent between 1928 and 1950. On a per capita basis, Canadians consumed 38 per cent more goods and services in 1950 than in 1928, indicating a very substantial gain in the material standard of living.

DEBT AGREEMENT WITH SPAIN: The Minister of Trade and Commerce, Mr. C.D. Howe, announced on February 11 the conclusion of an agreement between Canada and Spain, providing for the liquidation of commercial debts owing to a number of Canadian firms. These debts have been blocked in Spain since before the outbreak of the Spanish Civil War in July, 1936.

This agreement was concluded in Madrid on January 29, 1952, by Mr. Wm. Frederick Bull, Deputy Minister of Trade and Commerce, representing the Canadian Government, and Senor Martin Artajo, Spanish Foreign Minister. Preparatory negotiations were conducted by Mr. E.H. Maguire, Canadian Trade Commissioner in Spain.

Mr. Howe said that, with the co-operation of the Spanish authorities, a satisfactory agreement had been reached, making possible the early settlement of these debts on favourable terms.

Under this agreement, the Spanish Government undertakes to release exchange up to a total of \$650,000 to cover debts owing Canadian firms, these debts having arisen out of exports to Spain or Spanish possessions prior to July 18, 1936. Exchange will be released in the currency in which the debts were originally contracted. Spanish officials were very helpful in agreeing to liquidate most of the debts at the present official rate of exchange, which is not normally in use for commercial transactions.

* * * *

HANDLING OF TOUGH AND DAMP GRAIN: The 1951 western wheat crop is estimated at 531,000,000 bushels, of which about 150,000,000 bushels have not been threshed. Of the threshed wheat about 325,000,000 bushels are available for marketing, after allowing for farm seed and feed requirements, the Minister of Trade and Commerce, Mr. C.D. Howe, announced on February 7.

About 250,000,000 bushels of wheat have been delivered by producers. These deliveries represent over 75 per cent of the marketings which might be expected from the threshed portion of the crop.

As a result of unfavourable harvesting weather, an abnormally large volume of western wheat was threshed tough or damp. Of the 250,000,000 bushels delivered 116,000,000 bushels were accepted from producers as tough or damp wheat. The marketing position of oats and barley is not as favourable as that of wheat, but producers have delivered over one half of expected marketings. Some 54,000,000 bushels of tough and damp oats and barley have been delivered by producers. Total deliveries of tough and damp wheat, oats, and barley now amount to 170,000,000 bushels.

The Canadian Wheat Board has been selling substantial quantities of tough wheat for milling in Canada and for shipment to overseas customers.

COLOMBO PLAN ASSISTANCE: G.D. Mallory, Director of the Industrial Development Division, Department of Trade and Commerce, left Ottawa by air on February 11 for India, Pakistan and Ceylon, where he will examine the industrial requirements of those countries under provisions of the Colombo Plan for the Economic Development of South and South-East Asia.

The services of Mr. Mallory are on loan to the International Economic & Technical Cooperation Division. He will meet the Administrator of that Division, Nik Cavell, in Colombo, and will accompany him on his visits to the various development projects being undertaken by Ceylon, India and Pakistan.

Mr. Mallory will inspect many of the industries in those countries, and discuss with interested officials the organization of technical missions to Canada, the selection of specialists to undergo a programme of training in Canada, and the need of the Asian countries for experts to assist in training personnel on the ground.

During his stay in India, Pakistan and Ceylon, Mr. Mallory will familiarize himself with the general trade situation, and plans to call on the representatives and agents of as many Canadian firms as possible.

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EMPLOYMENT REPORT: Employment in Canada remained at a high level at the beginning of the year despite seasonal slackness in the construction, fishing, agriculture, food processing and inland navigation industries, the Minister of Labour, Mr. Milton F. Gregg, announced on February 7. Although some of the workers released from these industries have left the labour market for the winter, and many more are engaged in the logging industry, the number of people seeking work increased by more than 85,000 from December 20, 1951 to reach a total of 337,000 at January 17, 1952. This figure is considerably higher than last year but is slightly lower than mid-January, 1950. During the week ending January 17 the rate of increase dropped sharply.

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KOREA ROTATION PLAN: Following the recent changeover of the 1st and 2nd Battalions of the Princess Patricia's Canadian Light Infantry, the rotation of the remainder of the 25th Canadian Infantry Brigade will commence in March, Canadian Army Headquarters announced on February 7.

This rotation plan, first announced by the Minister of National Defence last August, calls for the return to Canada of all soldiers who have served for twelve months in the Far Eastern Theatre. Soldiers in the units slated for replacement who are ineligible, by virtue of their service, will be returned on a man-for-man basis upon completion of twelve months overseas.

(Continued from P. 1)

RECORD NATIONAL PRODUCT \$21.2 BILLION

With reference to the post-war investment expenditure boom, the Bureau notes that in 1950 physical output devoted to gross domestic investment in new construction, machinery, equipment and inventories was 65 per cent greater than in 1928.

The smallest percentage increase in physical terms from 1928 to 1950 was shown by both exports and imports, indicative of greater relative dependence on domestic sources of supply and markets at the present time than a quarter-century ago.

Important changes in the industrial structure of the economy occurred in the period 1928-1950. Manufacturing became much more important, accounting for almost one-third of the National Income (30.4 per cent) in 1950, compared with 22.8 per cent in 1928. The distributive outlets -- wholesale and retail trade -- also became relatively more important. On the other hand, transportation, storage, communication, and public utilities declined in relative position from 12.9 per cent to 9.8 per cent, and services from 11.8 per cent to 8.2 per cent. Income originating in agriculture, which in the period 1926 to 1929 inclusive averaged 16.4 per cent of the National Income, declined to 12.9 per cent for the period 1947 to 1950. The Bureau notes that the number of persons with jobs in agriculture also declined from 29.3 per cent of the labour force in 1931 (the nearest year to 1928 for which labour force figures are available), to 20.3 per cent in 1950. These declines are associated with the growing mechanization on farms and the increasing industrialization of the economy.

PERSONAL INCOME

Turning to an analysis of Personal Income -- that is income received by Canadians from all sources whether earned or unearned -- the Bureau states that transfer payments from governments (that is, family allowances, veterans' pensions, mother's allowances and so on) have become much more important; in 1950 they accounted for 7.5 per cent of total Personal Income, compared with 1.9 per cent in 1928. On the other hand, interest, dividends and net rental income of persons has shown a relative decline as a source of Personal Income, from 12.9 per cent in 1928 to 9.4 per cent in 1950. Personal Income amounted to \$4,618 million in 1928 and \$13,417 million in 1950, almost three times as great. Personal Income after personal direct taxes, that is personal Disposable Income, was \$4,559 million and \$12,682 million in 1928 and 1950, respectively. On a per capita basis, the increase in personal Disposable Income was from \$464 in 1928 to \$916 in 1950, a rise of 97 per cent.

Since average prices of consumer goods and services purchased rose by 46 per cent a very considerable increase in real personal Disposable Income is indicated.

The manner in which Personal Income has been disposed of is also shown by the Bureau figures. Direct personal taxes absorbed a substantially greater share of Personal Income in 1950, amounting to 5.5 per cent, compared with 1.3 per cent in 1928. At the same time, important changes in the pattern of personal expenditure on consumer goods and services have occurred. Comparing 1930 with 1950, the proportion of personal expenditure going to services has declined, mainly due to the influence of the rental component and domestic service. Increased expenditures on durable and non-durable goods have counter-balanced the relative fall in services. The proportion spent on user-operated automobiles has increased from six per cent of the total in 1930 to 10 per cent in 1950. Expenditures on tobacco and alcoholic beverages have also shown a relative increase.

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FOR R.C.A.F. IN EUROPE: Group Captain Keith Hodson, O.B.E., D.F.C., 36, has been posted to Paris to have charge of R.C.A.F. arrangements for the R.C.A.F. air division to be located on the Continent; it was announced on February 11 by Air Force Headquarters.

Group Captain Hodson will assist the Canadian Ambassador at Paris in negotiating for the required air bases. Also, he will arrange with the United States Air Force for the integration of the maintenance and supply services. In Paris he will be stationed at the Canadian Embassy.

Since the war's end he has served as chief instructor at the R.C.A.F. Staff College in Toronto, and at the time of his appointment to head the planning team in Europe was Director of Air Plans (Strategic) at Air Force Headquarters.

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MR. MCILRAITH RESIGNS ONE POST: The Prime Minister, Mr. St. Laurent, announced on February 14 that he had received the resignation of Mr. George McIlraith, M.P. for Ottawa West, as Parliamentary Assistant to the Minister of Defence Production.

Mr. McIlraith had found that the pressure of his duties as Parliamentary Assistant in respect of two departments of Government left him no time to meet other essential obligations.

Mr. McIlraith will continue as Parliamentary Assistant to Mr. C.D. Howe in his capacity as Minister of Trade and Commerce.

"ATOMIC ENERGY OF CANADA, LIMITED": The Prime Minister, Mr. St. Laurent, announced on February 13, the appointment of Dr. C.J. Mackenzie, President of the National Research Council, to be President of a new Crown Company, "Atomic Energy of Canada, Limited", which will take over from the National Research Council responsibility for operating the Chalk River Project.

Dr. E.W.R. Steacie, O.B.E., F.R.S.; F.R.-S.C., former Vice-President of the Research Council, has been appointed to succeed Dr. Mackenzie as President and Chief Executive Officer of the Council and will take over on April 1, 1952.

At the present time the National Research Council operates the Chalk River Atomic Energy Project as an agent for the Atomic Energy Control Board, which Board carries the responsibility for atomic energy matters in Canada and reports to Parliament through the Chairman of the Privy Council Committee on Scientific and Industrial Research, the Rt. Hon. C.D. Howe.

When Parliament recently approved the construction of a new and much larger atomic energy pile, the Government anticipated that when this pile was completed the great change in size and character of the Chalk River Project would make it desirable to relieve the National Research Council of its responsibilities as the operating agency, and to replace that agency by a Crown company, the latter being considered more suitable for the management of a project with important industrial activities.

During the past year the design of the new pile has progressed favourably and, of perhaps more importance, the prospects for early and useful industrial application of atomic energy have become more promising. The Government now considers that in the light of these facts it is wise to proceed with the reorganization immediately in order that a well integrated and experienced management will be working smoothly by the time the new pile comes into actual operation. It is believed that this can best be done by bringing together all such governmental activities in the Atomic Energy Control Board and an operating company, in order to obtain the maximum industrial efficiency with no loss of parliamentary control.

Accordingly authorization has been given for the setting up of a Crown Company "Atomic Energy of Canada Limited" which will take over, from the National Research Council, responsibility for operating the Chalk River Project.

It is essential that the new company be organized under the direction of one experienced in this special field and that its practices be integrated with the policies of the Atomic Energy Control Board. The Government has therefore requested Dr. C.J. Mackenzie to assume the Presidency of the new Crown Company.

Dr. Mackenzie has agreed to accept this new post with its increasing responsibilities on the understanding that he be relieved from his duties as President and Chief Executive Officer of the National Research Council. He will accordingly resign as President of the Council as of March 31, 1952, but will continue to be a member of the Honorary Advisory Council.

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LEADING EXPORTS: Values of Canada's 16 leading export commodities in the 12 months of 1951 with corresponding figures for the preceding year, are shown in the following table compiled by the Bureau of Statistics:

	<u>1950</u>	<u>1951</u>
	<i>(figures in thousands)</i>	
Newsprint	\$485,746	\$536,372
Wheat	325,614	441,043
Wood pulp	208,556	365,133
Planks and boards	290,847	312,198
Nickel	105,300	136,689
Other grains	53,235	129,214
Aluminum and products	106,867	124,779
Fish and products	112,718	117,464
Wheat flour	93,839	113,854
Farm implements	87,811	106,438
Copper and products	87,587	87,188
Zinc and products	58,893	84,450
Asbestos	63,475	81,831
Meats, other than		
bacon and hams	46,211	68,812
Pulp wood	34,768	68,103
Cattle	79,126	63,065

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MCGILL UNIVERSITY RESEARCH: New methods of isolating and identifying the tubercle bacillus are being investigated by the Department of Bacteriology and Immunology of McGill University, Montreal.

This was announced on February 13 by the Minister of National Health and Welfare, Mr. Paul Martin, with the statement that the research is being financed by a federal health grant.

One of the major problems in public health laboratories is to be able quickly to isolate and identify the tubercle bacillus when it is present in small numbers in pathological specimens, the Minister said. Scientists disagree on what is the most effective method, and it is hoped that the investigations being carried out at McGill will result in improvements in the currently-used procedures to give quicker and more accurate results.

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COST-OF-LIVING RISE: The Dominion Bureau of Statistics cost-of-living index increased 0.2 per cent from 191.1 to 191.5 between December 1, 1951 and January 2, 1952.

CANADA'S POPULATION 14,009,429 AT JUNE 1, 1951

FINAL CENSUS TABULATION: Canada's population at June 1 last year topped fourteen millions by a small margin. Final tabulations of the Census returns by the Dominion Bureau of Statistics shows a total of 14,009,429 for the ten Provinces and two territories.

The 1951 total represents an increase of 2,502,774 or 21.8 per cent over the 1941 population of 11,506,655. Newfoundland's entry into Confederation accounts for 361,416 of this increase. Excluding Newfoundland, the population in 1951 totalled 13,648,013, an increase of 2,141,358 or 18.6 per cent over the 1941 population of the nine Provinces and the territories.

The final figure for all Canada is 116,621 larger than the preliminary total announced by the Bureau on December 5 last, the difference being due mainly to the addition of individuals enumerated away from their normal place of residence and the enumeration of individuals in dwellings which were closed at the time of the Census, returns for these not being included in the first count. The final figures show increases over preliminary totals for all Provinces.

The numerical increase in population between 1941 and 1951 of the nine Provinces and two territories is the largest on record, comparing with gains of 1,129,869 between 1931 and 1941, 1,588,837 and 1,581,306 in the 1921-31 and 1911-21 decades, respectively, and the previous peak of 1,835,328 between 1901 and 1911. The percentage increase shown between

1941-51 has been exceeded only twice since the turn of the century. In 1921 it was 21.9 and in 1911, 34.2 per cent.

Ontario had the largest numerical gain in the ten years, the total rising 809,887 from 3,787,655 in 1941 to 4,597,542. Quebec was second in growth with a gain of 723,799 from 3,331,882 in 1941 to 4,055,681. The percentage increase for these two Provinces was very similar, being 21.4 per cent and 21.7 per cent, respectively. British Columbia, next in numerical gain, had a population growth of 347,349 from 817,861 to 1,165,210. This was an increase of 42 per cent.

Population of Alberta increased 18 per cent from 796,169 in 1941 to 939,501; Manitoba six per cent from 729,744 in 1941 to 776,541; while the total for Saskatchewan fell seven per cent from 895,992 to 831,728. Growth in Nova Scotia's population was 11 per cent from 577,962 in 1941 to 642,584; New Brunswick's total rose 13 per cent from 457,401 to 515,697; and that of Prince Edward Island almost four per cent from 95,047 to 98,429. The population of Newfoundland in 1951 increased 12 per cent to 361,416 from 321,819 in 1945 -- date of the last official census of the new Province. The population of the Northwest Territories rose to 16,004 as compared with 12,028, and of the Yukon to 9,096 from 4,914.

The following table shows final population totals for Canada and the Provinces for 1941 and 1951, together with numerical and percentage changes in the decade:

	<u>1951</u>	<u>1941</u>	<u>Increase or Decrease</u>	
			<u>1941-1951</u>	
			Number	Per Cent
Canada	14,009,429	11,506,655	2,502,774	21.75
Newfoundland	361,416	321,819*	39,597	12.30
Prince Edward Island	98,429	95,047	3,382	3.56
Nova Scotia	642,584	577,962	64,622	11.18
New Brunswick	515,697	457,401	58,296	12.75
Quebec	4,055,681	3,331,882	723,799	21.72
Ontario	4,597,542	3,787,655	809,887	21.38
Manitoba	776,541	729,744	46,797	6.41
Saskatchewan	831,728	895,992	64,264	7.17
Alberta	939,501	796,169	143,332	18.00
British Columbia	1,165,210	817,861	347,349	42.47
Yukon	9,096	4,914	4,182	85.10
Northwest Territories	16,004	12,028	3,976	33.06

*1945

TO BUILD SABRE FIGHTERS: The partnership of the North Atlantic Treaty nations was exemplified in a signal way with announcement at Ottawa, Washington and London of an arrangement whereby the three countries will combine to equip and man squadrons of Sabre fighters.

The announcement was made in Ottawa by the Minister of Defence Production, Mr. C.D. Howe, and the Minister of National Defence, Mr. Brooke Claxton. It results from discussions which have been going on between the Ministers and service heads of the three countries.

Under this arrangement, Canada will build F-86E aircraft at Canadair, Limited, as part of the Canadian Mutual Aid Programme. Engines and other equipment will be furnished by the United States and will be financed by Mutual Defence Aid Pact funds. The aircraft will then be manned by R.A.F. personnel and will strengthen the North Atlantic Treaty forces.

The number and production schedules of the aircraft provided for was not announced, but is stated to run into some hundreds and will be in addition to the F-86 aircraft already being manufactured by Canada for R.C.A.F. squadrons designated for NATO.

The announcement was made in the United States by Hon. Thomas Finletter, Secretary for Air and in the United Kingdom by Lord de L'Isle and Dudley, Secretary for Air.

Up to this time Canada has been the only country outside of the United States to use the F-86.

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VALUABLES IN POLAND: The Department of External Affairs announced on February 13 that Canadians who are owners of movables, valuables, negotiable papers, etc. deposited with institutions, banks and enterprises in Poland before May 9, 1945 have, under a Polish Government decree of September 6, 1951, six months from the date of its publication (September 8, 1951) to withdraw these items from deposit.

Failing withdrawal, the decree provides that the objects will become state property, unless claim has been filed and deposits cannot be delivered under Polish regulations. Deposits with museums are specifically excluded from the legislation.

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MR. DUNTON'S TERM EXTENDED: The Prime Minister, Mr. St. Laurent, has announced that effective February 1, Mr. A.D. Dunton has been re-appointed as Governor and Chairman of the Canadian Broadcasting Corporation for a period of 10 years in accordance with the provisions of the amendment to the Canadian Broadcasting Corporation Act of 1936 adopted at the last session of Parliament.

SEAWAY BOARD NAMED: Appointment of a five-man Board of Engineers for the all-Canadian Seaway project was announced on February 13 by the Minister of Transport, Mr. Lionel Chevrier. Three members of the Board of Engineers are appointed by the Government of Canada and one each by the Governments of Ontario and Quebec.

The Board of Engineers consists of Mr. R.A.C. Henry, of Montreal, Executive Vice President and Director of Marine Industries Ltd who will be Chairman; Mr. Guy A Lindsay, of Ottawa, Director of Special Projects Branch of the Department of Transport; Mr. Norman Marr, of Ottawa, Chief of Water Resources Division of the Department of Resources and Development; Mr. R.L. Hearn, of Toronto, General Manager and Chief Engineer of the Ontario-Hydro Commission; and René Dupuis, of Montreal, Commissioner of the Quebec Hydro Commission.

The duties of the newly appointed Board of Engineers are to "co-ordinate the preparation of an application by the Province of Ontario for submission to the International Joint Commission for an Order of Approval of construction of certain works to develop the power resources of the International Rapids section of the St. Lawrence River." This construction would be undertaken by the Province of Ontario "concurrently with the construction of complementary works by an appropriate authority in the United States."

The Board of Engineers is further required to make recommendations to the Governor in Council as to conditions to be attached to the approval of the application - before transmission to the International Joint Commission.

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MR. COTÉ NEW POSTMASTER GENERAL: The Prime Minister, Mr. St. Laurent, announced on February 13 the resignation of the Postmaster General, Mr. Edouard Rinfret, and Mr. Rinfret's appointment as a Judge of the Court of Queen's Bench for the Province of Quebec.

Mr. Alcide Côté, M.P. for St. Johns-Iberville-Napierville, was sworn to the Privy Council and appointed Postmaster General on the same day.

The Prime Minister also announced that Mr. John H. Dickie, M.P. for Halifax, had been appointed Parliamentary Assistant to the Minister of Defence Production, and that Mr. E.W. George, M.P. for Westmorland, N.B., and Mr. André Gauthier, M.P. for Lake St. John, P.Q., had been invited to move and second the Address in Reply to the Speech from the Throne at the approaching session of Parliament.



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WEEK'S EVENTS IN REVIEW

THE DEATH OF THE KING: Canada this week mourned the death of a beloved Sovereign, King George VI. Across the country, leaders of all political parties, church dignitaries, and members of the judiciary, joined in public expressions of sorrow.

The Government, on February 6, proclaimed Queen Elizabeth II as the new monarch, and members of the Privy Council and senior officials swore allegiance to the late King's daughter, who so recently had been a visitor in Canada.

The federal Cabinet, wearing black ties of mourning, went into emergency session at noon on February 6 to adopt a proclamation formally announcing the death of King George VI and declaring the accession of Queen Elizabeth II. The proclamation was signed that afternoon by Chief Justice Thibaudeau Rinfret, Administrator in the absence of a Governor General. Twenty-three Canadian Privy Councillors -- including members of the Cabinet -- took an oath of allegiance to the new Queen.

The Prime Minister, Mr. St. Laurent expressed deep sympathy in messages sent to the new Queen and to the King's widow.

The day of the late King's funeral will be proclaimed a day of national mourning for Canada, Mr. St. Laurent announced. A ceremony will be held at the National War Memorial in Ottawa's Confederation Square.

The Secretary of State for External Affairs, Mr. L.B. Pearson, who flew to London on the night of February 6 en route to Lisbon for the NATO Council meeting, will attend the funeral. Rt. Hon. Vincent Massey, Governor General designate, cancelled plans to sail for Canada this week-end and will remain in England to be among Canadian dignitaries attending.

The following is the text of the statement issued by the Prime Minister on February 6:

"The people of Canada were profoundly shocked by the news this morning of the sudden death of His Majesty King George VI.

"We all realized how precarious was the state of the King's health, but the universal anxiety of three months ago had given place to deep gratification at what seemed to be a rapid and steady recovery.

"For Canadians, as for all His Majesty's subjects, the death of their Sovereign will be a personal sorrow. Our loyal attachment to the Crown has been strengthened throughout the King's reign by our universal admiration for the high courage and the exemplary family life of King George VI. To the people of this country who have never forgotten the visit of the King and Queen in 1939 and their many associations with our armed forces during the war, the King was both a great King and a good man. His passing will be mourned not only in Canada and elsewhere throughout the Commonwealth but everywhere in the free world.

SCIENTIFIC ADVISERS: Two senior defence scientists have received appointments as advisers in the Department of National Defence, the Minister of National Defence, Mr. Claxton, announced on January 31.

Colonel Gideon Milroy Carrie, OBE, ED, BASc, staff member of the Defence Research Board and a veteran of two world wars, has been appointed Scientific Adviser to the Chief of the General Staff.

Dr Otto Maass, Chairman of the McGill University Department of Chemistry and former Scientific Adviser to Lt.-Gen. G.G. Simonds, is to become Scientific Adviser (Special Weapons) to the CNS, CGS, CAS, and to the Chairman of the Defence Research Board. His fields include biological and chemical warfare.

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"CAYUGA" AGAIN IN ACTION: On Board HMCS Cayuga, at a UN Port in Japan -- Operating in a west coast area new to her, HMCS Cayuga, on her most recent patrol, again came under the fire of Communist guns and once again escaped damage, although the enemy shells landed close enough, according to witnesses, to shower her decks with salt spray.

In this new area, the Haeju River estuary, the Cayuga took over as commander of a task unit. The first such command in the area, it was created owing to increasing enemy pressure on UN-held islands whose defence the Cayuga was instrumental in organizing.

The Cayuga came under fire from enemy guns mounted on the Red-held mainland while she was bombarding in support of small South Korean craft carrying out the evacuation of refugees.

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AIRMEN FOR NATO FORCE: Seventy-two RCAF personnel left Canada last week for the RCAF's No. 1 Fighter Wing at North Luffenham, England, which forms the RCAF's initial contribution to the 11-squadron Air Division being made available to the Integrated Force Commander under NATO agreements. While in Britain the squadrons come under operational control of RAF fighter command. At a later date, when adequate airfields and accommodation are available, the wing will move to the Continent, and current plans call for it to be grouped with the USAF.

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SEAMEN IN PERU: On Board HMCS Beacon Hill, at Balboa, Canal Zone -- A warm and enthusiastic welcome was accorded officers and men of the Canadian training frigates Beacon Hill and Antigonish during a four-day stay at Callao, seaport for the Peruvian capital city of Lima, last week. In a colourful ceremony, Lieut.-Cdr. McDowall placed a wreath on behalf of the Royal Canadian Navy at the foot of a monument in Lima, in tribute to the Peruvian naval hero Admiral Miguel Grau.

174,715 IMMIGRANTS: In the first 11 months of 1951, 174,715 immigrants entered Canada, more than any year since 1913.

Statistics released by the Department of Citizenship and Immigration show that immigrants were drawn from countries in all parts of the world, but the largest increase -- 331 per cent -- was in immigration from northern Europe.

The 1951 total compared with 66,851 immigrants for the corresponding 11-month period in 1950, an increase of 161 per cent.

From the United Kingdom came 28,929 compared with 12,374; the United States 7,339 compared with 7,252; Northern Europe 65,182 compared with 15,123; other countries 73,265 compared with 32,102.

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UNHARVESTED GRAIN CROPS: An estimated 150,000,000 bushels of wheat, 134,600,000 bushels of oats and barley, and 1,600,000 bushels of flaxseed of the 1951 crop in the Prairie Provinces had not been harvested by December 31, according to surveys conducted by the Dominion Bureau of Statistics and Provincial Departments of Agriculture. Expressed as a proportion of the total crop as estimated last November, approximately 28 per cent of the wheat, 24 per cent of the oats and barley and 18 per cent of the flaxseed were still in the fields at the end of December.

The largest part of the unharvested wheat, some 91,000,000 bushels, was located in Saskatchewan where an estimated 28 per cent of the crop remained for harvest.

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HOUSE BUILDING COSTS STEADY: House-building costs tended to level off during the third quarter of 1951 after having risen steadily for about 18 months from the end of the first quarter of 1950, according to the latest issue of "Housing in Canada", a quarterly report published by Central Mortgage and Housing Corporation. The combined index of prices of residential building materials and wage rates of construction workers rose less than 1 per cent from July to October, 1951. Building material prices were virtually unchanged during the period and wage rates of construction workers rose about 2 per cent from July to August, remaining stable from August to October.

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WAGES AT NEW PEAK: Employment in the principal non-agricultural industries showed no general change at December 1. Weekly wages and salaries, and average weekly earnings, however, both were at new peak levels. The index of payrolls was 415.8 against 413.4 in November, and 356.2 in December, 1950, while weekly wages and salaries averaged \$52.35 compared with \$52.06 in November, and \$46.63 a year earlier.

1952 TO BE ANOTHER YEAR OF PROGRESS

MR. HOWE'S FORECAST: "Once again, I look forward to another year of progress and expansion for the Canadian economy in 1952," said the Minister of Trade and Commerce and of Defence Production, Mr. C.D. Howe, in addressing the Vancouver Board of Trade on January 29.

"Present indications," he continued, "are that our investment programme will continue at its current high level. The overall demand for Canadian-produced goods, both at home and abroad, will also be strong. Our defence production programme will show a marked increase in the rate of deliveries as more and more plants get into production on defence work. On the international scene, I point to the increased co-operation on the part of the free nations as one of the most encouraging signs for the future."

Mr. Howe reviewed the recent background of Canada's development and concluded that the Canadian productive machine was expanding and being improved as never before in history. Never before, he said, had investment been directed along lines which hold promise of greater returns in terms of things Canada and the world needs for a better life and for greater security.

PRODUCTION APPRAISAL

In an appraisal of present production efforts, he said, in part:

"We are now getting out of the tooling stage in a number of programmes and deliveries in the coming year will be substantially increased. In the aircraft field, the F-86E and the general purpose Beaver are coming off the production line in quantity and we are preparing to turn out three other types of aircraft and produce for the first time in our history two types of aircraft engines. Plants are being set up to manufacture aircraft instruments and to supply many components that have hitherto been imported into the country. Over a three-year period, our aircraft programme will amount to some 12 hundred million dollars.

"Shipbuilding accounts for some 250 million dollars and good progress is being made on the escort ships, minesweepers and gate vessels that make up the major portion of the programme. Sea trials on the minesweepers and gate vessels are expected to be completed by November of this year.

"Electronics is playing an increasingly important part in the whole armament field. About 500 million dollars will be spent on electronics.

"Tank and automotive requirements account for another 225 to 250 million dollars and the balance is made up of weapons and ammunition, clothing and miscellaneous types of equipment needed to maintain a modern army.

"Actual production, however, is only the part of our defence programme. Short of an all-out shooting war, our requirements and those of our allies for weapons and other equipment are necessarily limited. That is why we must think of our preparedness effort as something other than just preparation for war. It is the strengthening of our defences to the point where any would-be aggressor will realize the folly of such action.

"Canadian productive facilities can be quickly expanded in the event of an emergency. In addition, many of our new productive facilities, which have been set up to fill defence orders, have a part to play in civilian production as well. Where new facilities have been set up we have tried to fit defence work in with the type of production that a firm is currently undertaking so that wherever possible it will fit in with civilian production either now or at some future date....

TREND IN ELECTRONICS

"On the other hand, many of the components that will go into aircraft and aircraft instruments can be used by industry for other than defence work. In electronics as in aircraft, the general trend is toward a self-supporting industry with a corresponding reduction in the number of imported items. As part of our defence production, we are entering the sub-miniature field for the first time. We will be producing such components as tubes, condensers, resistors, etc., and learning new techniques in the wire assembly of electronic equipment that will be useful in the television and telecommunications field.

"The experience our shipyards are getting in handling aluminum will stand them in good stead. As you know, aluminum is being used more and more in the superstructure of ships, as it decreases the weight above the water and increases stability as well as payload. In the past couple of decades, corrosion resistant alloys have been developed and a wider variety of plates and structural shapes are now available....

"By any test Canada is doing well at the beginning of 1952. And yet I believe that there are greater things in store for this country. In a sense we have yet to reap the fruits of our efforts. At the moment the economy is straining to meet the demands of the defence effort, of the investment programme, and of consumers. It is necessary to impose restraints of one kind and another to keep these competing demands from interfering with one another. Eventually, and I hope in the not-too-distant future, we, and our allies of the North Atlantic Treaty Organization, will have surmounted the hump of preparedness. In due course, too, the facilities now being created by the enormous investment programme will result in greater output."

MR. CAVELL VISITING EAST: Mr. Nik Cavell, Administrator of the International Economic and Technical Co-operation Division, Department of Trade and Commerce, left Ottawa on February 1 by air for Burma, India, Ceylon and Pakistan, where he will study at first hand the requirements of countries participating in the Colombo Plan for the Economic Development of South and South-East Asia.

As Canada's official observer, he will attend the annual conference in Rangoon, Burma, of the Economic Commission for Asia and the Far East (ECAFE). He will proceed thence to Calcutta, and visit development projects in Bengal, India, and in East Pakistan.

Mr. Cavell will discuss various aspects of the Colombo Plan with officials of the Bureau for Technical Co-operation, in Colombo, and also visit the Colombo Exhibition, at which Canada is represented with a display outlining her contribution to the plan.

He will have conversations with Canadian officials in Bombay, New Delhi and Karachi, and with representatives of the Indian Government in New Delhi and the Pakistan Government in Karachi. Various projects in the two countries will be examined, with a view to determining the extent to which Canada can contribute to their need for capital equipment.

Before returning to Ottawa the end of April, Mr. Cavell will consult with Canadian and British Government officials in London.

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SYNTHETIC TEXTILES \$147,048,000: Gross factory value of products manufactured by Canada's synthetic textiles industry rose to an all-time peak of \$147,048,000 in 1950 as compared with \$124,125,000 in the preceding year, and \$107,142,000 in 1948, according to the annual industry report by the Dominion Bureau of Statistics. Factors in the rise were the current defence emergency, the relative stability of prices and availability of synthetic fibres, and new achievements in the successful blending of natural and man-made fibres.

Average number of employees also reached a new high total of 17,955 in 1950 as against 16,828 in 1949, and 16,097 in 1948, while salaries and wages increased to \$40,111,600 from \$36,121,600 in 1949, and \$30,738,900 in 1948. Cost of materials used by the industry rose from \$45,218,000 in 1949 to \$55,519,000 in 1950, a gain of \$10,301,000 or 23 per cent.

Production of woven fabrics by the industry, which accounted for 60 per cent of the output, increased from 108,735,000 yards valued at \$81,615,000 in 1949 to 116,242,000 yards valued at \$88,544,000 in 1950.

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TO ATTEND BRITISH C.D. COURSES: Four Canadian civil defence officials have been selected to attend special courses in Great Britain. It has been announced that the officers will go overseas about February 20.

PROTEST SLAYING OF MR. BOYER: At his press conference in Ottawa on February 1, the Secretary of State for External Affairs, Mr. L.B. Pearson, was asked whether Canada would protest to the Egyptian Government the slaying of Mr. J.M. Boyer, Canadian Government Trade Commissioner, in the Cairo Riots of January 26. Mr. Pearson replied that the protest had already been made by the British Ambassador in Cairo. Immediately after the riot, he said, the Ambassador had protested to the Egyptian Government on behalf of the Canadian Government as well as the Government of the United Kingdom.

The Consul General of Egypt in Ottawa, Mr. H.M. El-Hakeem, called on the Department of External Affairs on January 28, and left the following note:

Monsieur le Ministre,

"On the tragic occasion of the death of the late Mr. J.M. Boyer, Canadian Government Trade Commissioner in Cairo, my Government have instructed me to present to the Government of Canada their deepest sympathy and sincere condolences.

"In fulfilling this painful duty, I wish to associate myself with the sentiments expressed by my Government on this much regretted happening, and I avail myself of the opportunity to renew to you, Sir, the assurances of my highest consideration."

I have the honour to be,
Monsieur le Ministre,
Your Most Obedient Servant

(Sgd.) H.M. El-Hakeem

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"ATHABASKAN" IN ACTION: A United Nations Naval Base in Japan, February 2 -- On her most recent patrol, the Canadian Tribal class destroyer Athabaskan joined forces with United States ships to strike at enemy positions in the northern area of the east coast. Troops, rail lines, bunkers and gun emplacements were among the targets pounded by the warship's guns.

The Athabaskan departed from the usual long-range bombardment procedure to make fast, close-in attacks that hit hard at the Red installations. On several occasions, Cdr. D.G. King of Victoria, manoeuvred his 2,700-ton ship to bring the Communist coastline within easy range of the 40-mm close-range weapons which added their fire to that of the destroyer's main armament of six four-inch guns.

The enemy had regarded the cold winter nights as a time when troops and supplies could be moved along the coastal roads and rail lines without being either observed or attacked.

OLD AGE ASSISTANCE: British Columbia, Alberta, Saskatchewan and Quebec have formally completed agreements with the federal Government for sharing the costs of old age assistance for persons between 65 and 69 years of age and for allowances for the blind over the age of 21, the Minister of National Health and Welfare, Mr. Paul Martin, announced on February 4.

An agreement covering old age assistance only has been completed with New Brunswick, and it is anticipated that the agreement with this Province relating to blindness allowances will be completed shortly. All agreements which have been signed are retroactive to January 1, 1952.

Several other provinces and the Northwest Territories have indicated their intention of entering into agreements, Mr. Martin stated.

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AIR RAID SIRENS FOR CITIES: Another step in Canadian preparedness is being taken by the federal Government with the delivery of air raid warning sirens to certain major cities across the country, and it is expected that an initial shipment of 200 five-horsepower two-tone sirens will have been completed by early in March.

Sirens have already been delivered to Montreal, Vancouver, Winnipeg, Victoria, Halifax and Saint John, N.B. Other deliveries will be made during February.

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CHEQUES CASHED SET RECORD: Value of cheques cashed rose to an all-time record total of \$112,184,633,000 in 1951, an increase of 11.5 per cent over the previous peak of \$100,635,459,000 in 1950, according to figures compiled by the Dominion Bureau of Statistics. In December, the all-Canada total was \$10,134,296,000 as compared with \$9,314,795,000 a year earlier, a gain of 8.8 per cent.

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LABOUR INCOME RISES: Estimated total of wages, salaries and supplementary labour income continued to rise in October. The month's total, at \$855,000,000, was 16 per cent above the October, 1950 figure of \$736,000,000, and in the 10-month period there was a gain of 17 per cent to \$7,947,000,000 as against \$6,789,000,000.

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1951 STORE SALES SET RECORD: Department store sales reached a new high total of \$901,940,000 in the calendar year 1951, an increase of 3.4 per cent over the preceding year's figure of \$872,680,000. With Christmas buying swelling the total, sales in December rose to \$119,770,000 from \$118,870,000 in December, 1950, or by 0.8 per cent.

AID FOR FISHERMEN: The Fisheries Prices Support Board has started mailing cheques to 15,000 Newfoundland fishermen who are entitled to deficiency payments on the 1950 production of Newfoundland shore-caught salted codfish, the Minister of Fisheries, Mr. R.W. Mayhew, announced on February 4.

The Government of Canada authorized the Fisheries Prices Support Board last September to pay a deficiency payment of \$1.30 per quintal on an estimated production of 645,000 quintals of 1950 fish. The action was taken following an abnormal decline in the price of salted codfish, mainstay of Newfoundland's shore fishermen for generations.

* * * *

\$395,683,000 FOR EDUCATION: Expenditures on formal education in Canada reached an all-time peak total of \$395,683,000 in 1949, according to preliminary figures released by the Bureau of Statistics. This was 12 per cent above 1948 expenditures of \$352,788,000.

Expenditures of boards of publicly-controlled schools increased to \$267,018,000 from \$224,817,000 in 1948, private schools to \$14,860,000 from \$12,746,000, and of business colleges to \$2,531,000 from \$2,365,000. Due to a decline in enrolment, the total for universities and colleges fell to \$43,114,000 from \$43,607,000.

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WHEAT EXPORTS: Exports of Canadian wheat as grain during December amounted to 16,800,000 bushels, less than half the high November total of 35,500,000 bushels, but substantially larger than December, 1950 shipments of 10,200,000 bushels. Exports in the first five months of the current crop year, at 118,200,000 bushels, were well above the 68,300,000 bushels exported during the August-December period of 1950-51.

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FISH HARVEST LOWER: Landings of sea-fish in the year 1951 fell slightly more than three per cent from the preceding year but there was a gain of seven per cent in landed value. According to preliminary figures released by the Dominion Bureau of Statistics, the year's catch amounted to 1,291,733,000 pounds valued at \$72,660,000 as against 1,335,696,000 at \$67,730,000 in 1950.

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MR. BREITHAUP LTIEUTENANT-GOVERNOR: The Prime Minister, Mr. St. Laurent, announced on January 24 that His Excellency, the Governor-General, had approved the appointment of Louis O. Breithaupt, Esq., of Kitchener, to be Lieutenant-Governor of the Province of Ontario with effect from February 18 next, succeeding the Honourable Ray Lawson, O.B.E.

1951 EXPORTS SET RECORD AT \$3,914,500,000

25 P.C. ABOVE 1950: Canada's domestic exports soared to an all-time high record value of \$3,914,500,000 in the full year 1951, almost 26 per cent above the preceding year's total of \$3,118,400,000. Total for December was \$379,300,000, slightly below the monthly high record in November, but 31 per cent above the December, 1950 value of \$289,900,000.

The gain over 1950 was general in character, with particularly large percentage increases to overseas countries in the second half of the year. The rise in exports to the United States was moderate by comparison, yet shipments to that country still constituted nearly 59 per cent of total exports as compared with 65 per cent in 1950, the Dominion Bureau of Statistics has reported.

The volume of exports was more than 10 per cent greater than in 1950 and this was chiefly due to the growth in exports to the United Kingdom and other overseas countries. The remainder of the increase in value was due to higher export prices, which rose steadily during the year until August and remained relatively stable thereafter. In the year as a whole the rise in export prices over 1950 was about 13 per cent.

Substantial gains were recorded in the values of most major commodities in the calendar year 1951. Wheat, other grains, wheat flour, planks and boards, pulpwood, wood pulp,

newsprint, nickel, zinc, and asbestos were among the larger gains, while cattle and copper moved lower in value.

Domestic exports to the United States rose about 14 per cent in the full year 1951 to \$2,297,706,000 from \$2,020,988,000 in the preceding year, but the value for December was slightly lower at \$189,971,000 as against \$191,510,000. Gains were general among the main commodity groups in the year but there was a mixture of gains and losses in December.

With marked increases in the last five months of the year, domestic exports to the United Kingdom rose in value in the 12 months to \$631,461,000 from \$469,910,000 in the preceding year, or by 34 per cent. The December value increased to \$63,141,000 from \$39,555,000 a year earlier. Wood and paper products, and non-ferrous metals groups accounted for a major part of the increase both in the month and year.

Shipments to all other Commonwealth countries increased 30 per cent in 1951 to \$240,946,000 from \$185,179,000 in the preceding year, while the total for December increased to \$22,300,000 from \$17,000,000. Jamaica, Trinidad and Tobago, the Union of South Africa, India, Australia, and New Zealand, accounted for a large part of the year's increase.

Exports to Latin American countries climbed sharply in value to \$208,024,000 in 1951 from \$143,428,000 the year before.

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SEAWAY TO BENEFIT THE WEST: Construction of the St. Lawrence seaway would "mean more dollars in the Western pocket," the Minister of Transport, Mr. Lionel Chevrier, assured members of the Winnipeg Chamber of Commerce at their annual dinner meeting on February 5.

He said that the seaway promises at least two benefits to that area of Canada "most directly concerned with the grain movement." One would be "a substantial saving in the cost of marketing grain" and the other "an end to the shortages of lake shipping that have occurred from time to time in the past to hinder the flow to market."

He pointed out that the cost of delivering Canadian grain to the consuming markets of the world "would be reduced. When that lesser cost is deducted from the delivered price, the Canadian farmer should get a higher price for his grain f.o.b. country elevator".

In his first talk on the St. Lawrence seaway project in Western Canada, Mr. Chevrier devoted considerable time to discussing how the grain trade would benefit. He pointed out that present freight charges for the water movement of wheat for 900 miles from the head of the lakes to Toronto was 8 cents per bushel and that it cost an additional 8 cents for the remaining 300 miles to Montreal after transshipment to small canallers. "If the large

vessels could carry the wheat the whole 1,200 miles to Montreal, said the Minister, "it is reasonable to speculate that the total water freight today would be not more than 11 cents a bushel, instead of 16 cents...."

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(Continued from P. 1)

THE DEATH OF THE KING

"To Her Majesty Queen Elizabeth, who shared so fully the life and the duties of the King, the sympathy of the Canadian people will go in fullest measure. We also feel deep sympathy for Queen Mary, for Princess Margaret and the other members of the Royal Family.

"For our new Sovereign, Queen Elizabeth II, our sympathy is all the greater because, in this hour of sorrow, she was separated from her Father and Mother and Sister. Her Majesty's recent visit to Canada has given us all the sense of her nearness to us and the feeling that this land, too, is her home. With our sympathy, we extend to our new Queen not only an expression of complete loyalty but also of abiding personal affection. It will be the prayer of all that Divine Providence will sustain Her Majesty in the discharge of her heavy duties."



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WEEK'S EVENTS IN REVIEW

U.S. CO-OPERATION FOR SEAWAY: The Department of External Affairs on January 28 released the texts of an exchange of notes of January 11 between the Canadian Ambassador in Washington and the Secretary of State of the United States in which the Governments agreed to cooperate in preparing applications to the International Joint Commission for approval of the plans to construct power facilities on the St. Lawrence River in connection with the development of an all-Canadian seaway.

The texts of the notes follow:

Canadian Embassy,
Washington, January 11, 1952

Sir,

I have the honour to refer to the discussion of the St. Lawrence Seaway and Power Project between the Prime Minister of Canada and the President of the United States which took place in Washington on September 28, 1951.

At that time, the President and the Prime Minister agreed on the vital importance to the security and the economies of both countries of proceeding as rapidly as possible with both the seaway and the power phases of the project. The Prime Minister indicated that the Canadian Government would be willing to construct the seaway as a solely Canadian project if it is not possible to have the joint development

undertaken on the basis of the 1941 Agreement. The President agreed to support this Canadian action if an early commencement of the joint development did not prove possible.

The Canadian Parliament has recently passed legislation providing on the one hand, for a power development on the St. Lawrence River, to be undertaken by the Hydro-Electric Power Commission of Ontario and an appropriate agency in the United States, and on the other hand, for the establishment of the St. Lawrence Seaway Authority to construct the seaway either in co-operation with the United States, as provided for in the 1941 Agreement, or as a solely Canadian undertaking. This legislation may now be brought into force at any time by proclamation.

The Canadian Government is prepared to proceed with the construction of the seaway as soon as appropriate arrangements can be made for the construction of the power phase of the St. Lawrence project as well. Failing approval of the 1941 Agreement by the Congress, it will be necessary to refer the project to the International Joint Commission for approval. In order to proceed as rapidly as possible with the project, which the President and the Prime Minister have agreed is of vital importance, the co-operation of the United States Government in preparing concurrent applications for approval of the project to the International Joint Commission is requested.

INTERNATIONAL TRADE FAIR, 1952: Canadian business and industry is backing Canada's International Trade Fair stronger than ever. Already, with four months still to go, space bookings are well ahead of the total amount taken by Canadian exhibitors in either the 1950 or 1951 Trade Fairs. When the two-week show opens June 2, Canadian participation may be almost double what it was last year.

To date, Canadians have booked 45,000 square feet of exhibit space to show products in every one of the 16 trade categories in which the Fair is divided. This is 3,000 square feet more than Canadian exhibitors occupied last year and space applications are still rolling in.

The most noticeable increase is in the section containing machinery and plant equipment. Here, Canadian manufacturers have 20,000 square feet, 3,000 more than last year, to show a diverse selection of machine tools, and heavy and light machinery and equipment for almost every type of industry.

Eleven of the approximately 30 countries expected to exhibit have already submitted formal space applications.

Denmark, exhibiting milking machines and diesel motors, is in the Fair for the first time.

GERMANY AN EXHIBITOR

Germany will exhibit in a major way for the first time, particularly in the machine tool section. Total German space requirements have been estimated at 15,000 square feet or more. The wide range of German products to be shown reflects the steady reconstruction of German industry and their interest in establishing Canadian markets for goods they are producing in quantity.

Britain, continuing her drive to establish and maintain broad Canadian markets, will again be one of the top exhibitors in almost every category. British machine tools are expected, as always, to be one of the major features, but this year machine toolmakers will be showing on an individual basis rather than as an association.

The Netherlands, space-wise fourth exhibiting country last year, is returning to the Fair with another comprehensive display of Dutch goods, particularly in the household line. Other countries so far heard from are Australia, Pakistan, Scotland, Sweden, Switzerland and the United States.

RAIL OPERATING INCOME DOWN: Operating revenues and expenses of Canadian railways climbed to new record totals in October, the former rising to \$99,022,075 from \$92,517,046 in October, 1950, and the latter to \$84,227,369 from \$72,355,021. The resulting operating income in October was \$11,248,198 as against \$15,814,244 a year earlier.

RISE IN FARM EXPORTS: Exports of farm products have almost tripled in dollar value since 1940, the Minister of Agriculture, Mr. James G. Gardiner, noted in an address to the Sixteenth Annual Meeting of the Canadian Federation of Agriculture in Montreal on January 23.

Excerpts from his speech:

"It is generally thought that our exports of farm products are very low. An examination of the facts does not indicate that. For five years from 1936 to 1940 our exports averaged \$353,000,000. For five years of war from 1941 to 1945 our exports averaged \$763,000,000. For five years since the war from 1946 to 1950 our exports averaged \$937,000,000.

"If one argues that most of the advantage is due to increased price, I would point out that the average tonnage of food products exported annually from 1936 to 1940 was 5,815,286 tons. The average from 1941 to 1945 was 8,507,040 tons. The average from 1946 to 1950 was 7,515,718 tons. Although we are not quite up to wartime tonnage, our exports are 34% above pre-war tonnage....

"The figures for our gross cash income for the year 1951 are just out. They amount to \$2,819,000,000. That is the highest ever either in total or per individual farmer. That is double the wartime annual average. It is more than four times the five year pre-war average...."

BILLION DOLLAR RETAIL TRADE JUMP: A billion dollar increase in Canada's retail trade in 1950 -- equivalent to a 12 per cent gain -- raised total sales to an unprecedented aggregate of \$9,467,400,000 as compared with \$8,427,900,000 in 1949, according to the annual review by the Bureau of Statistics.

The buoyant state of the retail market during 1950 can be attributed to the prevailing high level of consumer income and, to some extent, to the increasing tension in international affairs following the start of the Korean struggle. The immediate impact of this latter event was less spectacular in Canada than in the United States, but it is remarkable that the rate of sales increases grew during the latter part of 1950.

Price increases also accelerated during 1950, but the extent to which they were a factor in the sales increases cannot be easily determined. Apart from the motor vehicle trade, where it is known that the number of units sold was 61 per cent higher in 1950 than in 1949, it is likely that physical turnover of merchandise was actually lower for many items in 1950 than in the preceding year.

Over one-half of the total increase in retail sales was accounted for by motor vehicle dealers' sales which surged ahead in 1950 as new vehicle distribution proceeded on a scale not previously approached.

SEAWAY AND SCENIC BEAUTY: Predicting "an industrial expansion in this part of the country" when the St. Lawrence Seaway project becomes an accomplished fact, Mr. G. Gordon McLeod, economist on the staff of the Minister of Transport, told members of the Avonmore Chambre of Commerce on January 21 that the Seaway will "make St. Lawrence sites more attractive to industry" and that the "St. Lawrence waterfront should share in the continued expansion of this country's industrial plant."

Referring to the change in the general appearance of the river when the Seaway project is undertaken, Mr. McLeod said the importance of scenic beauty is being kept prominently in mind.

"The foaming beauty of the great rapids will be drowned out, not without some sentimental regret", he said "but in their place will be a large quiet lake above the dam and churning tail-races below the powerhouses."

He pointed out that the Canada-Ontario agreement on development of hydro power in the International section of the river provides that the Province "will establish a commission to enhance the scenic beauty and safeguard the historic associations of the International Rapids section."

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RESTRICTIONS ON BANK CREDIT: "Graham Towers, Governor of the Bank of Canada, announced on January 24, following a meeting with representatives of the chartered banks, that the central bank and the chartered banks had agreed that it was desirable under present circumstances to continue the policies of restraint in the granting of bank credit which have been in effect since February 1951.

Reviewing the changes in bank credit which have taken place since February 1951, Mr. Towers pointed out that total bank loans and non-Government investments were no higher at the end of December than they had been at the end of February, apart from temporary advances of a seasonal character to finance the purchase of grain and Canada Savings Bonds which are normally higher in December than in February.

Mr. Towers expressed the view that the co-operation of the chartered banks in a policy of credit restraint has been an important factor helping to check domestic inflationary pressures.

* * * *

BOUNDARY COMMISSION MEMBER: The Department of External Affairs has announced the appointment of Mr. J.E.R. Ross, Dominion Geodesist, to be Canadian member of the International Boundary Commission. The appointment became effective December 18, 1951. Mr. Ross replaced Mr. J.L. Rannie who retired as Dominion Geodesist December 18, 1951, and resigned as Canadian International Boundary Commissioner the same day.

TO AMEND ANNUITIES ACT: The Government's bill to amend the Annuities Act, which was one of three left on the Order Paper when Parliament prorogued in December, will be revived next session, the Minister of Labour, Mr. Milton F. Gregg, has announced. Last session the Industrial Relations Committee examined the bill exhaustively and heard considerable evidence. When the House rose, however, the legislation had not been considered in committee of the whole House.

"The measure is an attempt to bring Canada's annuities legislation into line with modern needs," Mr. Gregg said. "For example, the maximum annuity for which a person can subscribe at present is \$1,200 a year. The amending bill raises this maximum to \$2,400.

"When a person passes 70 he becomes eligible for Old Age Pension and because of this he might wish to purchase an annuity contract which will allow annuities of an amount less after he passes 70 than before he attains such age.

"The new measure enables him to have a contract which would pay, for example, a \$100 monthly annuity between 65 and 70, and \$60 monthly thereafter

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IMMIGRANT WINS BRAVERY AWARD: The Netherlands immigrant farmer who saved the lives of two RCAF Flight Cadets last May, has been awarded the Netherlands Civil Award for conspicuous bravery. His Excellency, Mr. A.H.J. Lovink, Netherlands Ambassador to Canada, presented the award, comparable to the George Medal, to Wilhelm Koele, of Exeter, Ont., during a dinner tendered by Group Captain R.A. Cameron, Commanding Officer of RCAF Station Rockcliffe.

An RCAF Expeditor aircraft from the Air Force Flying Training school at Centralia, Ont., crashed on Mr. Koele's farm last May and burst into flames with three crewmen inside. Without regard for his personal safety, Mr. Koele pulled the flyers from the flaming wreckage and an RCAF official investigation concluded that two of the men would have died if it had not been for the actions of Mr. Koele.

* * * *

DECEMBER TRADE: A summary of foreign trade figures for December released by the Bureau of Statistics shows a rise in the value of Canada's total domestic exports to \$379,300,000 from \$289,900,000 in December, 1950, and an increase in estimated total imports to \$273,400,000 from \$266,300,000.

Domestic exports to the United States fell slightly to \$190,000,000 from \$191,500,000, and to the United Kingdom advanced to \$63,100,000 from \$39,600,000. Estimated imports from the United States amounted to \$203,500,000 as compared with \$182,300,000, and from the United Kingdom totalled \$19,400,000 compared with \$32,000,000.

(Continued from P.1)

U.S. CO-OPERATION FOR SEAWAY

Such a preparatory step would in no way prejudice the possibility of proceeding with the project on the basis of the 1941 Agreement in the event that the Congress should approve that Agreement. On the other hand, it is desirable to seek the approval of the International Joint Commission as soon as practicable in order to avoid any further delay in the event that the Congress does not approve the 1941 Agreement early in the present session.

It is proposed that appropriate officials of our two countries discuss the steps to be taken in proceeding with a reference of applications to the International Joint Commission for the construction of the project. A series of meetings beginning the middle of this month, either in Washington or in Ottawa, would be most appropriate for this purpose.

Accept, Sir, the renewed assurances of my highest consideration.

H.H. Wrong

The Honourable Dean Acheson,
Secretary of State of the
United States,
Washington, D.C.

DEPARTMENT OF STATE

Washington,
January 11, 1952

Excellency:

I have the honour to acknowledge the receipt of your note of January 11, 1952 concerning the St. Lawrence Seaway and Power Project.

My Government notes with gratification that the Canadian Parliament has passed legislation providing, on the one hand, for the construction of the power phase of the project to be undertaken by the Hydro-Electric Commission of Ontario and an appropriate agency in the United States; and on the other hand, for the establishment of the St. Lawrence Seaway Authority to construct the seaway, either in co-operation with the United States as envisaged in the 1941 Agreement, or as a solely Canadian undertaking.

As you know, the President hopes that the Congress of the United States will approve, at an early date, the 1941 Agreement providing for joint construction of the St. Lawrence Project. Should the Congress, however, not approve the 1941 Agreement at an early date, the Government of the United States is prepared, in order to avoid further delay in the construction of the St. Lawrence Project, to co-operate with the Government of Canada in

referring the project to the International Joint Commission for approval on the understanding, as expressed in your note, that your Government is prepared to proceed with the construction of the Seaway as soon as appropriate arrangements can be made for the construction of the power phases of the St. Lawrence Project as well.

In order that there may be a minimum of delay in the construction of the project, which the President of the United States and the Prime Minister of Canada have agreed is of vital importance to the security and the economies of both countries, my Government is ready to co-operate with your Government in undertaking such preparatory steps as may be advisable in presenting concurrent applications to the International Joint Commission. On behalf of my Government, I accept your proposal that appropriate officials of our two countries discuss the steps to be taken in proceeding with the reference of such applications. I agree that a series of meetings to be held either in Washington or in Ottawa, or at such other place as may be convenient, would be the most appropriate method for implementing this proposal. Although it is not possible for me now to propose an exact date, I expect that my Government will be prepared to begin these discussions sometime this month. I shall inform you as soon as my Government is ready to join in the discussions which you have proposed.

Accept, Excellency, the renewed assurances of my highest consideration.

Dean Acheson

The Honourable,
Hume Wrong,
Ambassador of Canada.

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BUDGETARY SURPLUS \$721.6 MILLION: Government revenues exceeded expenditures in the month of December by \$86.9 million, bringing the accumulated budgetary surplus to December 31, 1951, up to \$721.6 million, the statement of the Comptroller of the Treasury for that month and for the first nine months of the current fiscal year shows.

Revenue receipts in the month of December totalled \$336.3 million compared with \$262.6 million in December 1950. This figure included \$23.7 million of interest received on the loan under The United Kingdom Financial Agreement Act, 1946, for which there was no comparable receipt in December 1950. Revenues for the first nine months totalled \$2,804.3 million, an increase of \$754.7 million over revenue of \$2,049.6 collected in the nine months ended December 31, 1950. Corporation income tax showed the largest increase in revenue.

DANGER CENTRE MAY NOW BE ASIA

MR. PEARSON'S ADDRESSES While in Europe there is some improvement, in Asia, especially in South East Asia, the situation is heavy with menace, said the Secretary of State for External Affairs, Mr. L.B. Pearson, in addressing the Commercial Club of Halifax on January 26. With NATO guarding Western Europe more and more effectively, he added; "the centre of danger may now have shifted to Asia; to Indo-China, to Burma, to Malaya and Korea."

Mr. Pearson also addressed the 130th Annual Meeting of the Board of Trade, Saint John, N.B., on January 28, outlining the principles underlying foreign policy, three of which he said, should be responsibility, steadiness and flexibility.

In his Halifax address, he dealt with the proposals for a European army and the move towards European unity, in which Germany was all important. He did not think that Canadians had any right to quarrel with the decision of the United Kingdom not to become a member of the European Defence Community or the European Army. The important thing was that the union move should be linked with NATO, and steps to this end, he hoped, would be taken at Lisbon

THE ATLANTIC COMMUNITY

"If this can be done, and it should be done," he said "then North America, the British Isles and the Continental European group become the three parts of this growing and impressive whole, the Atlantic Community.

"For Canada, this is, I think, the best solution from every point of view, political and economic and strategic. We support, therefore, the move towards European unity, but not in the form of a federation divorced in any way from NATO. We understand the British reluctance to join the European Army, but we would be worried if that meant British withdrawal from the NATO forces in Europe - which it does not. We would be reluctant to merge into a North American union of any kind, but we are happy to join the United States in a North Atlantic Organization, the members of which may get closer and closer as the years go by."

Dealing with the various aspects of Canada's foreign policy, her policy within the United Nations and within NATO, and her relations within the Commonwealth and with the United States, he said that our relations with the Commonwealth were as loose and as strong as ever, with the United Kingdom they were never better, and, so far as the United States was concerned, "there are no two countries in the world whose relations are closer and more intimate."

He added:

"One problem for Canada in her relationship with the United States as the leader of our coalition, and it is sometimes a difficult

one to solve, is to know when we should give up our own particular views in the interest of general agreement, and when we should persist in support of our own case even if it means an open disagreement of the kind which gives so much aid and comfort to the Communists.

"In seeking the right solution for difficulties of this kind we must take two factors into consideration; one, the impossibility of maintaining the peace in the face of the menace that confronts us if we do not maintain our unity; two, recognition of the great part and the special responsibility that the United States is bearing in this effort.

"I hope that in international matters, the Canadian voice will be frank and clear, and in a recognizable Canadian accent, but I hope also that it will be always possible for that voice to be in harmony with the other members of the chorus. This is not the time for solos or discordant notes if we can possibly avoid them."

PATIENCE A NECESSITY

In his St. John reference to the principles which should underlie foreign policy, he stressed patience as a necessity, saying:

"We will need also and especially patience and more patience, because the menace which faces us is not likely to disappear soon, and we would be well advised to settle down for a long hard pull. General Marshall said not long ago that the best we can hope for in the years ahead is a long period of increasing tension.

"Continuing, let alone increasing tension is almost as hard on the nerves as war itself; sometimes it is even harder. If we are to prevent that tension deteriorating into war, we shall, for the time being, have to accept an international situation, largely determined by a deeply divided world, and within that context deal with the various proposals and plans that are put forward to ease the tensions with Soviet Russia. We should certainly keep on trying in every possible and honourable way to do this but we should not expect any easy way out of existing difficulties or become unduly impatient or frustrated if the various moves that we make fail and we are rebuffed....

"Our best course is to accept realistically the general over-all situation as it is, for purposes of policy and diplomacy, to get steadily stronger to meet its challenges, and keep on attempting to solve specific problems as opportunity offers, without undue elation when we succeed, or undue despair when we fail, which will, I fear, be our more common experience. In this way, the free world, while getting stronger militarily, will get stronger also in morale and staying power; and that is what is going to conquer in the end."

MR. MASSEY TO BECOME GOVERNOR GENERAL

VISCOUNT ALEXANDER'S NEW POST: The Prime Minister, Mr. St. Laurent, announced on January 24 that the King, on the formal recommendation of His Ministers in Canada, had acceded to the request of Field Marshal the Viscount Alexander of Tunis that he be relieved of the duties of Governor General of Canada and that the appointment of the Right Honourable Vincent Massey to succeed him as Governor General was being announced officially from Buckingham Palace.

The announcement from Buckingham Palace, made on the same day, said that His Majesty had approved the appointment of Mr. Massey as Governor General, in succession to Viscount Alexander, "whom the King has been graciously pleased to relieve of his duties as Governor General of Canada in order that he may be free to assume other responsibilities."

On January 29 it was officially announced from London that Viscount Alexander had been appointed Minister of Defence in the Government of Prime Minister Churchill.

It was also announced from London that the King had awarded Canada's former Governor General an earldom in recognition of his distinguished services. In Ottawa, on January 29, he was sworn in as a member of the King's Privy Council for Canada as a gesture of appreciation by Canada of six years' service as Governor General.

Viscount Alexander will sail for Britain from Halifax February 17.

Mr. Massey will be the first Canadian citizen to become Governor General. Now Chancellor of the University of Toronto, Mr. Massey is a member of one of Canada's best known families and has an outstanding record of service to

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MORE U.K. IMMIGRANTS: Canada is hoping for a substantial increase this year in the number of newcomers from the United Kingdom, the Minister of Citizenship and Immigration, Mr. Walter Harris, said at the Caledonians' Burns Night Banquet at Winnipeg, January 25, in announcing new transportation plans.

He said in part:

"We have also been carrying on negotiations with the British Government in regard to additional air passage and I am glad to be able to announce that the British authorities themselves will charter a B.O.A.C. Strato-cruiser which will make one flight weekly to Canada carrying immigrants. The service, it is hoped, will start immediately after the first of February and on each trip there will be 70 seats available for the exclusive use of British immigrants. This service, although providing for only a comparatively small group will, nevertheless, be important because it

his country. A man of the highest academic attainments, he headed for almost two years the Royal Commission which toured Canada investigating the nation's cultural progress. He was first Canadian Minister to the United States and later High Commissioner for Canada in the United Kingdom.

In expressing his views on the appointment of a Canadian as Governor General, the Prime Minister has said:

"My own view is that there should be no firm rule that the Governor General of this country must be a resident of the United Kingdom or that he must be a resident of Canada or of any other nation in the Commonwealth. It seems to me no one of the King's subjects, wherever he resides, should be considered unworthy to represent the King provided he has the personal qualifications and a position in the community which are consonant with the dignity and responsibility of that office.

"I would not like to admit that Canadians, alone among His Majesty's subjects, should be considered unworthy to represent the King in their own country. In this connection you may be interested to know that Canada is the only nation in the Commonwealth except Ceylon in which the King has never been represented by one of his subjects ordinarily a resident in that country.

"It is my belief that the attachment of Canadians to the Crown is as great as it is among any other of His Majesty's subjects and I cannot feel that the appointment by the King of one of His Canadian subjects to represent him in Canada would do anything to weaken our attachment to the Crown."

will assist the speedy passage here of highly skilled technicians who are needed in our defence industries.

"However, the most hopeful thing in regard to transportation is that we have been able to arrange already for an additional 38 sailings from the United Kingdom ports to Canada this year. And negotiations for additional sailings are in progress. This will add substantially to the numbers who will come forward from the United Kingdom."

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CONSUL AT NEW ORLEANS: The Department of External Affairs announced on January 30 the appointment of Mr. G.A. Newman as Canadian Consul at New Orleans, Louisiana. Mr. Newman, who is also Canadian Government Trade Commissioner in that city, will continue to perform the functions of this office in addition to his new duties.



CANADIAN WEEKLY BULLETIN

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DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

MR. PEARSON ON WORLD AFFAIRS: "Military strength, economic and social health, interdependent - one to be achieved without sacrificing the other," are the objectives of Canada and the free nations of the world, the Secretary of State for External Affairs, Mr. L.B. Pearson, said in a review of world affairs at the Annual Dinner of the Chamber of Commerce of North Bay, Ont., on January 21. "To get the tanks and keep the tractors working," he added, "is our national and international job for 1952."

After noting the shift in the pattern of distribution of world power which had taken place in the last 50 years, with the centres of such power now in Washington and Moscow, Mr. Pearson said that there were countries in Europe, bruised and battered by war after war, who worried about the danger of being crushed between the two giants. Most of free Europe, however, now realized that the best way of avoiding this result was to unite its strength with the strength of the New World in a strong and close Atlantic Community.

Mr. Pearson proceeded, in part:

"I feel myself, and this feeling has been expressed recently by others whose experience and wisdom in these matters is greater than mine, that we can look into 1952 with somewhat less anxiety than gripped us a year ago.

Having said that, I should add that we had a very great deal to be anxious about then, and that there is nothing in the present international picture, especially in that part of it which covers Asia, which should lead anyone to think that defence expenditures can now be converted into income tax exemptions.

"The coalition for peace, based now on NATO, has, however, made progress through its increasing strength and developing unity. That gives ground for hope in the year ahead. Those who might be tempted to substitute armed aggression for political subversion know now that this strength and this unity stand in the way; more and more solidly in the way. The moral of this, then, is not to abandon the course that is leading us to safety but to persist - steadily but unprovocatively - in this strengthening and in the consolidation of this unity. Those are the ends to which the North Atlantic Council is working and to which our next meeting at Lisbon in a few weeks' time will make, I think, a greater contribution than that made by any that have preceded it.

"But if there is cause for less anxiety in Europe, there is cause for more in Asia. In Korea the purposes and the designs of the Communist aggressor at the cease-fire table are difficult to establish. Never was there a

MINISTER ACCREDITED TO PORTUGAL: In the desire to strengthen the friendly relations happily existing between Portugal and Canada, and now even closer through the co-operation of the two countries in the Atlantic Pact, the Portuguese Government and the Government of Canada have decided on the exchange of diplomatic missions.

The Honourable W.F.A. Turgeon has been accredited as Minister Plenipotentiary for Canada and will act in that capacity jointly with his present functions as Canadian Ambassador in Dublin.

Dr. Luiz Esteves Fernandes has been accredited as Minister Plenipotentiary for Portugal in Ottawa and will act in that capacity jointly with his present functions as Portuguese Ambassador in Washington.

Provisionally, and by agreement between the two Governments, the Portuguese Legation in Ottawa and the Canadian Legation in Lisbon will be in charge of *Chargés d'Affaires*

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SECURITY ACT RESIDENCE REQUIREMENTS: The federal Government has spelled out in detail the residence requirements for its new old age security programme.

The regulations as approved by the Governor-General-in-Council and announced by the Minister of National Health and Welfare, Mr. Paul Martin, follow the general principle laid down in the Old Age Security Act which requires 20 years' residence in Canada, but they also define temporary absences and cover the cases of persons who have been out of the country for varying periods of time because of their business or profession.

A claim of 20 years' "continuous" residence in Canada will be accepted if temporary absences within that period do not total more than 1,200 days--an average of two months per year.

This provision has been made, Mr. Martin explained, so as not to penalize persons who have travelled abroad, visited relatives or been absent from Canada on short business or pleasure trips.

Special provision is made for five groups of people whose business might require longer absences from the country. They are persons (1) employed on ships or fishing boats; (2) employed on trains running out of Canada, operated by a railway company with its head office in Canada; (3) employed in lumbering or harvesting and not absent from Canada for more than six months at a time; (4) employed by the United Nations or any of its specialized agencies, (5) employed as a representative or member of a Canadian firm or corporation. Their absences from Canada will not be counted against them for old age security purposes provided they maintained a home in Canada or had a permanent place of abode to which they had the intention of returning at the end of their employment abroad.

Canadian residents who go abroad as missionaries, as members of the Canadian armed forces or those of any ally of Canada, or as employees of the federal or any provincial or municipal government will not be counted as absent for old age security purposes provided they return to Canada at the end of their duties abroad. Persons in this group are not required to maintain a home in Canada while they are away, Mr. Martin stated.

All these exceptions also apply to a married woman or widow who was absent from Canada because of the employment of her husband outside the country.

* * * *

MORE TRADESMEN NEEDED: The Canadian Vocational Training Advisory Council which ended its three-day meeting in Ottawa on January 18 urged the calling of a general conference on a national scale as soon as possible to explore ways and means of promoting apprenticeship in Canada.

Arthur MacNamara, Deputy Minister of Labour, prompted lengthy discussions on the problems of apprenticeship when he reported to the delegates that the National Advisory Council on Manpower strongly recommended an increase in the number of apprentices in training in order to catch up with need for more trained tradesmen. The Deputy Minister called attention to the many reports of shortages of skilled men and that, in his opinion, the way to overcome the shortage was the creation of more tradesmen through apprenticeships.

Mr. MacNamara stressed the problem as one of prime importance and urged that methods be devised to encourage young men, employers and vocational training authorities to develop plans for increased training.

* * * *

ARMS FOR NATO NATIONS: France, Norway and Denmark will each receive Canadian arms and ammunition during January in shipments made under the mutual aid provisions of NATO, the Department of National Defence has announced.

Eight 3.7 anti-aircraft guns together with radar, predictors and ammunition will be sent to France. Denmark is to get 100 two-inch mortars and 45,000 rounds of ammunition. Norway will receive thirty artillery sighting instruments.

All the equipment will be shipped from Halifax. To date, Canada has supplied military stores to Italy, Luxembourg, the Netherlands and Belgium under NATO agreements.

* * * *

918,233 JOBS: A total of 918,233 jobs had been filled by workers recruited by the National Employment Service in the 12-month period from December 29, 1950 to December 27, 1951, it was announced on January 17 by the Minister of Labour, Mr. Milton F. Gregg.

RESEARCH GEARED TO DEFENCE PRODUCTION

N.R.C. REVIEW: Research at the national level is being geared to the development of defence production in Canada, while at the same time laboratory studies looking to the improvement of industrial processes in peacetime industries are being continued on a wide scale, the National Research Council announced in a year-end report. Research has become an important factor in the Canadian economy.

At the National Research Laboratories in Ottawa, the emphasis during 1951 has been largely on aeronautical, building, and radar research, as these three fields are most closely associated with the defence production programme. Physics, chemistry and biology, too, have had a part in this work, but their activities have also included related fundamental research, some of which is of a continuing long-term character.

TECHNICAL INFORMATION

The Technical Information Service continues to provide needed scientific information to industrial plants throughout Canada, answering some 400 inquiries each month. The atomic energy project has been in the news with its recent production of Cobalt-60, the radioactive coolant that is now being used in cancer clinics and for research studies at Victoria Hospital, London, Ont., and at the University of Saskatchewan, at Saskatoon. The radiations from these are so intense and penetrating that they replace expensive high-voltage X-ray equipment.

Supersonic tunnels have been built in the Division of Mechanical Engineering. The first of these wind tunnels for work on high-speed aircraft has been placed in operation and is being tuned up. The tunnel has a working section 10 by 10 inches in which speeds up to five times the speed of sound can be obtained. A second tunnel now being built has a larger working section, 16 by 30 inches, and will have a range up to three times the speed of sound.

A laboratory for work on gas turbines, compressors and combustion is nearing completion and the heavy equipment is under construction. Fuels for gas turbines, Canadian crudes as a source of gas turbine fuels, combustion,

thrust augmentation, blading and application to locomotives, are some of the studies being made.

The model-testing basin for work on ship models has had a very active year, with investigations proceeding both for the Royal Canadian Navy and for the shipbuilding industry.

Construction has been started on a laboratory and office building at Ottawa for the Division of Building Research. The Division's research station at Saskatoon began regular operation during the year.

Experimental work on concrete slab foundations for basementless houses began in October in Ottawa. Two slabs have been constructed; each is heated electrically and carries a building comparable to conventional house construction.

One of the very active N.R.C. groups in defence production work is the Division of Radio and Electrical Engineering. In work on radar and its applications to artillery fire control, satisfactory progress can be reported in re-designing experimental equipment in engineered form suitable for its industrial production. Detection of aircraft by radar is also being highly developed. A recent redesign of a mobile medium range radar used during World War II is now going into production on a large scale.

MILLION-VOLT IMPULSE GENERATOR

N.R.C.'s million-volt impulse generator is being used continuously for testing electric power-transmission equipment. The generator applies sudden high-voltage impulses, similar to lightning strokes, to power-line insulators, transformers, and cables.

The Atomic Energy Project has been pre-occupied with the detailed design of the new nuclear reactor to be constructed at Chalk River. This is to be another heavy water reactor like the existing NRX pile, but of greater power and improved design.

Operation of the NRX pile has been not only maintained but improved and its high flux of neutrons has been applied to many special investigations.

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HOCKEY GEAR FOR TROOPS: One of the requests which the Minister of National Defence, Mr. Claxton, received from the 25th Canadian Infantry Brigade in Korea -- hockey equipment -- was ordered the day the Minister returned. Mr. Claxton has asked the Quartermaster General to forward to Korea as early as possible 100 sets of hockey equipment, including a few complete outfits for goaltenders. The equipment will be flown on a regular Pacific airlift flight of RCAF 426 Squadron.

UNITED KINGDOM OF LIBYA. The Department of External Affairs on January 21 released the texts of telegrams exchanged between Mahmoud Muntasser, Prime Minister and Foreign Minister of Libya, and the Secretary of State for External Affairs by which recognition of the United Kingdom of Libya, proclaimed on December 24 to be a free, sovereign and independent state, was accorded by the Canadian Government.

"CANADA'S NEW APPROACH TO OLD AGE". "If we are to prevent one of the greatest wastes in our use of manpower, I believe that we will have to readapt our whole attitude to the employment of older workers," the Minister of National Health and Welfare, Mr. Paul Martin, said in an address on "Canada's New Approach to Old Age," at the Annual Banquet of the Dairy Farmers of Canada, in Montreal, January 17.

Since the record of the older workers proved, he added, that discrimination against them was largely a matter of unfounded prejudice, "we must learn to correct some of our misapprehensions about the liabilities of age and develop a better appreciation of its assets. . .

"I believe that more employers should carefully analyze their work to find those jobs that can profitably be done by older people. Indifference to the problem would only lead to a scrapping of the useful skills and ripened experience of thousands of our most mature citizens. . . ."

MINOR DIFFICULTIES

"In employing older workers, there may be certain difficulties in connection with pension and group insurance plans and greater care may have to be exercised in their selection and placement, but any minor difficulties of this sort will be more than offset by the vast contributions they can make to the productive capacity of Canadian industry."

The Minister prefaced his remarks concerning the employment of older workers with a report on the new federal pension to all over 70 years of age and said that slightly more than 615,000 pensions had been approved by January 10 and the Government would issue a total of 630,000 cheques this month. This pension scheme, he said, was the first social measure "that recognizes a fundamental change that has come about in our society in our time - people are living longer. In fact, people are living much longer - 20 years longer, on the average, than 50 years ago."

Providing for the financial needs of older citizens, he said, was only one phase of the problem. If we were going to make full use of the productive capacity of senior citizens and help them live fuller, richer lives, "we will have to find a new approach to the whole question of old age."

He added:

"Our way of living -- our entertainment, our employment practices, our political institutions, yes, sometimes even our religious activities -- are directed for the most part to the interests of younger people. Our problem, therefore, is to readapt our thinking so that we can keep our senior citizens from becoming 'displaced persons', cut adrift from their intellectual, cultural and spiritual anchors, existing among us but not really a vital and essential part of our society."

(Continued from P.1)

MR. PEARSON ON WORLD AFFAIRS

more frustrating or tortuous negotiation, nor can we yet tell whether it will leave the United Nations position, or the United Nations forces, who have succeeded in blocking and defeating aggression there, stronger or weaker. This is a risk being taken for peace. It is worth taking. If it fails, the responsibility for such failure must be made clear. If it succeeds, and later there is bad faith and renewed aggression in Korea, the responsibility will be equally clear and the consequences may be far-reaching. That should be clearly understood by those who would break any armistice arranged.

"The defence lines against Communist aggression in Asia, however, are far more extensive than the width of the Korean peninsula. They cannot all be held in equal military strength with the resources presently available. That makes it the more important that Western participation in the defence of that part of the world against aggression should rest on a strong political foundation; that it should be allied with national and economic progress and not be saddled with the dragging weights of social injustice, racial discriminations, or political reaction.

PEOPLES OF ASIA

"If Asia goes Communist, and this must be considered as at least a possibility, it will be for no love of Russia or of Marx, but because the agents of Russia and Marx were able to exploit and harness to revolution the longing for a piece of bread, a roof and the right to stand erect. It is only by their own exertions and their own policies that the peoples of Asia can secure these benefits. But we can help them, to some extent, materially, but also by our understanding of their aspirations and giving them the assurance of our desire to co-operate with them in the solution of their problems.

"In Asia, especially in South-east Asia, then, the situation is heavy with danger; all the more so because the danger may express itself, not in open aggression where we would know where we were, but in aid and assistance to those who are already fighting against local governments. There may be no clear-cut breach of the peace as there was in Korea and consequently no clear-cut basis for collective defence. Indo-China, Burma and Malaya have shown how desperately difficult such situations can become.

"In Europe, however, as I have said, the situation seems somewhat brighter. But here also there is a new danger - new perhaps only in our increasing consciousness of it. It is a possible weakening of morale, following econo-

mic and political instability. The Cominform leaders in the Kremlin are patient and realistic schemers, with a sense of historical inevitability which derives from their reading of the Gospel of Marx. With the Atlantic Pact and the atomic bomb in mind, they may have ruled out, for the time being, direct armed aggression against free Europe. They may have replaced it by a campaign to sap our strength, weaken our resistance; undermine our resolve to get strong and keep united.

"Such a campaign could operate in various ways. By phony but specious 'peace' campaigns designed to lull us into a false security and make the burden of defence expenditures seem unnecessary. By malicious propaganda designed to show that these unnecessary expenditures, imposed, as they will allege, by the United States, remove all possibility of an improved standard of living. By exploiting national prejudices, jealousies and envies; stirring up class against class, nation against nation, by working on France's fear of Germany Britain's worries about closer European ties, Europe's hesitations over American strength. America's doubts of Europe's resolution. We must defend ourselves against these tactics, and that is not going to be easy, because this is a campaign in the war of ideas. The defence must therefore be positive and constructive.

NATO FOR PEACE ALONE

"One important part of this defence is so to conduct our NATO rearmament programme that it does not remove the hope indeed, the certainty of greater human welfare for those people who are to be protected by it; by hammering away at the idea that NATO stands for peace alone and that without the security it will provide, there can be no progress.

"It would be folly, of course, if we invited military attack by weakness, if we slackened in any important respect our defence effort. But it would also be unwise if we brought about economic and political weakness by trying to arm too quickly, too extensively everywhere. This is the lesser danger, I admit, but it is certainly a danger in Europe where the economic and social foundations on which a military defence structure must rest are not so strong as they are on this continent; and where termites are patiently but persistently gnawing at them...."

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U.K. TOKEN IMPORT SCHEME: The Minister of Trade and Commerce, Mr. C.D. Howe, announced on January 23 that arrangements had now been made for the United Kingdom Token Import Scheme for 1952. The annual quotas will be reduced to 30 per cent of each exporter's shipments in the basic period 1936-38. In 1951, the quotas were 40 per cent. The scheme will cover the same commodities as in 1951, so far as the United States and Canada are concerned. The

United Kingdom Government has already announced that the scheme will be discontinued for other countries which previously participated in it.

The decision to reduce the Token Import Scheme was announced by the United Kingdom Government following the meeting of Commonwealth Finance Ministers, recently held in London. Mr. Howe said: "Canadians will appreciate the decision made by the United Kingdom to continue the Token Import Scheme during this period of renewed difficulties for the sterling area. This is a tangible demonstration of the desire which exists, even in times of difficulty, to keep the channels open between Canada and the United Kingdom for as large and diversified an exchange of goods as possible".

Mr. Howe pointed out that there were some 266 Canadian firms participating at present in the scheme, and some 70 commodities are involved. The value of Canadian quotas has increased over the years from approximately \$2 million in 1936 to \$7.5 million in 1951.

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MORALE HIGH IN KOREA: In the following excerpt from his radio broadcast over the CBC network on January 20, the Minister of National Defence, Mr. Brooke Claxton, tells of the high morale and spirits of the Canadian troops in Korea, and something of the conditions under which they are living, as observed by him during his recent visit:

"The views of everyone who has visited the front, the heads of four of our churches, the members of the press and others, are that they never have seen troops in better spirits or with higher morale. That was also the view of our entire party.

"We did find that there were quite a few things that could be improved in the way of speeding up mail and distributing news, radio and films, etc., so as to bridge the gap of more than seven thousand miles which separates our men from their homes. The Chief of the General Staff, General Guy Simonds, is on his way to Korea to follow up our observations and recommendations.

"At Brigade Headquarters and in the units back of the line the soldiers can see movies every night. They don't need to buy cigarettes or chocolates because they have more than they can use in their issue. They like getting Canadian cigarettes and so far over eleven million have been shipped. In fact, they like everything Canadian, particularly letters.

"Depending on enemy activities, our soldiers in the front line come to the back areas every few days and have a bath and change of clothing.

"Each week over two hundred men are flown the 700 miles to Tokyo for five clear days' leave there. Their health and physique are extraordinarily good...."

PUBLICATIONS: The following is a selected list of Canadian Government publications received in December, 1951, in the Library of the Department of External Affairs:

Department of Citizenship and Immigration: Annual report for fiscal year ended March 31, 1951. p. 90. Price 50¢.

Commissioner of Patents: Report for the fiscal year ended March 31, 1951. p. 16. Price 10¢.

National Film Board of Canada: Annual report 1950-51. p. 24.

Department of National Defence: Report for the fiscal year ending March 31, 1951. p. 119. Price 25¢.

Department of Trade and Commerce: Private and Public Investment in Canada 1926-1951. p. 254.

Ontario Hydro-Electric Power Commission: Forty-third Annual Report for the year ended December 31, 1950. Toronto, Printer to the King's Most Excellent Majesty. p. 392.

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US-CANADA ATLANTIC EXERCISES: Two RCAF Maritime Squadrons, flying Lancasters, have joined U.S. Navy Atlantic Fleet units in cold weather exercises termed "Micowex 52" in North-western Atlantic waters beginning January 21 and lasting about three weeks, the RCAF announced on January 21.

Canadian squadrons participating are 404 Maritime Squadron, commanded by Wing Commander Donald E. Galloway, 36, of Montreal, and 405 Maritime Squadron, under W/C W.P. Pleasance, DFC, 40, of Calgary. Both squadrons are based at Greenwood, N.S. and will fly from there during "Micowex 52."

The exercise is designed to increase combat readiness and familiarize personnel with operations in frigid climatic conditions. It will also enable U.S. fleet units to test their latest cold weather weapons, equipment and clothing.

Admiral Lynde D. McCormick, USN, commander-in-chief of the U.S. Atlantic Fleet, is in command of the exercise. Canadian and U.S. air units in combination with a U.S. submarine fleet make up the "Black" force for the exercise under the command of Rear Admiral Stuart S. Murray, USN. This force will oppose the "Blue" force of 35 Atlantic Fleet ships.

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NOVEMBER TRADE: Canada had an overall import balance on foreign trade account with all countries of \$233,500,000 in the first 11 months of 1951 as compared with \$44,400,000 in the same period of 1950. November trade produced an export balance of \$58,800,000 -- largest in almost two years -- as compared with an import balance of \$31,500,000 a year earlier.

In trade with the United States there was an 11-month import balance of \$469,100,000 as compared with \$92,000,000 in the corresponding

period of 1950. Import balance in November was \$11,900,000 -- smallest of the year -- as against \$19,700,000 in November, 1950.

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SEAWAY "AN URGENT MUST": Giving warning that the Seaway project is "an urgent must" and that "we in Canada are determined to have it at the earliest possible date", the Minister of Transport, Mr. Lionel Chevrier, told the Canadian Construction Association at their annual dinner in Toronto on January 21 that Canada was "determined to override the powerful minority interests that have denied it to us these twenty years and more."

The Minister recalled that Parliament had already passed an Act creating a St. Lawrence Seaway Authority and had given approval to an agreement between the federal Government and the Province of Ontario for the development of hydro power in the International section of the river.

An average of about 15,000 men would be employed on the project according to the Minister who based his estimate on the assumption of an accelerated construction schedule to complete the work in five years. Of these, he said, "an average of about 9,500 would be employed in Canada".

CONSTRUCTION REQUIREMENTS

Detailing construction requirements, the Minister said that in the International Rapids Section a control dam near Iroquois and a main dam near Cornwall would be built. Each of these dams would be "a concrete gravity structure having a spillway flanked by concrete gravity sections and earth wing dams", he said. "Each will be about 2,500 feet long. The control dam will have a maximum height of about 118 feet above the foundation, the main dam about 145 feet. The main dam will extend from the United States mainland to the head of Barnhart Island. The closure will be completed by powerhouses extending 3,501 feet from the foot of the island to the Canadian mainland, and by flanking dykes."

The Minister said the new canals "are to have locks of the general dimension of those in the Welland Ship Canal, with a 30-foot depth of water at the sills."

In the Soulange section of the river, the Minister said that little more was required than the provision of a short side canal with two twin locks in flight to pass vessels from the existing power canal to Lake St. Louis.

In conclusion Mr. Chevrier said that Canada "needs the St. Lawrence seaway and power development at the earliest possible date." While United States participation in the project was "still the logical, the desirable choice", the Canadian Government would pursue the alternatives of "action under the 1941 agreement and action for the all-Canadian seaway, until it becomes clear which course will be the first to produce results."



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WEEK'S EVENTS IN REVIEW

MR. CHURCHILL'S OTTAWA SPEECH: Prime Minister Churchill of the United Kingdom came to Ottawa again this week after a ten year absence.

No official disclosures have followed his talks with the Canadian Cabinet. He delivered one major speech at a banquet given in his honour by the Government of Canada on January 14 at the Chateau Laurier.

Mr. Churchill reminisced a bit on his war-time worries, paid warm tributes to Governor General Viscount Alexander and Canada's Prime Minister, extolled the spirit and aims of NATO as the hope for peace of the free Western world, and continued on into a talk on present world conditions and outlook, in part, as follows:

"What is the scene which unfolds before us tonight? It is certainly not what we had hoped to find after all our enemies had surrendered unconditionally and the great World Instrument of the United Nations had been set up to make sure that the wars were ended. It is certainly not that. Peace does not sit untroubled in her vineyard. The harvests of new and boundless wealth which science stands ready to pour into the hands of all people, and of none perhaps more than the people of Canada, must be used for exertions to ward off from us the dangers and the unimaginable horrors of another world war.

"At least this time in visiting you I have no secrets to guard about the future. When I came last time I could not tell what was going to happen, because I could not make it public. This time I do not know. No one can predict with certainty what will happen. All we can see for ourselves are the strange clouds that move and gather on the horizons, sometimes so full of menace, sometimes fading away. There they are. They cast their shadow, as Mr. Truman said the other night, the President of the United States, they cast their shadow on our life and actions.

"But this time at any rate we are all united from the beginning. We all mean to stand by each other. Here in Canada, in the United States, in Britain, in Western Europe, all of us are united to defend the cause of freedom with all our strength and by that strength we hope to preserve unbroken the peace which is our hearts desire.

"Your Excellency, I have spoken tonight a good deal about the past. Edmund Burke said, 'People will not look forward to posterity who never look backward to their ancestors.'

"The past is indeed the only guide to the future. But it is the future which dominates our minds. A great future is yours in Canada.

"The two world wars of the terrible 20th Century have turned the economic balance of power from the Old World to the New. It is

(Continued on p. 5)

"EAGER BEAVER" EXERCISE: In preparation for one of the largest and longest military training exercise yet carried out in the Canadian north, Canadian and United States Army engineers are concentrating at Silver Creek, Yukon Territory, on the Alaska Highway about 1,400 air miles northwest of Edmonton, where for the next six months they will take part in Exercise "Eager Beaver."

Under severe Arctic conditions and spring thaws, "Eager Beaver" will test equipment and personnel while carrying out an airfield construction programme, snow compaction studies, the construction of field defences, demolition projects, and other problems to be met in the isolated camp. Some 450 all ranks from both countries will take part.

The force of about 150 Canadian Sappers completed their move to the camp on the shores of Kluane Lake on January 9. From October 7, when the advance party arrived to prepare the hatted camp, small groups have been flown in periodically from Edmonton. Between now and the start of the main exercise on January 20 the Canadian engineers are to carry out winter indoctrination and hardening training. A total of 300 U.S. Army engineers will be taking part, all of them winter-trained at Camp Carson and Camp Hale in Colorado.

A vast quantity of special equipment has been gathered for severe testing during the exercise. Canadian stores and equipment are now being moved by road, rail and air, but mostly by road over the 1,056 miles of the Alaska Highway following rail shipment to Dawson Creek, B.C. American engineer equipment has been shipped by sea to Skagway on the Alaska "Panhandle" and moved from there to Whitehorse by rail and thence by heavy trucks to the exercise site.

* * * *

U.K. TOKEN IMPORT SCHEME: The United Kingdom token Import Scheme will be continued in 1952, but at a reduced level, the Department of Trade and Commerce announces. Since negotiations are still proceeding between the United Kingdom Government and the Governments of Canada and the United States, a detailed announcement will be made at a later date. The scheme will be limited in 1952 to Canada and the United States, according to an announcement made on January 9 in London.

Since its inception in 1946, the Token Import Scheme has provided for the admission to the United Kingdom of limited quantities of foodstuffs and manufactured products, which would otherwise have been eliminated from the United Kingdom market by reason of import and exchange restrictions.

There are some 266 Canadian firms participating at present in the scheme and some 70 commodities are involved. The value of Canadian quotas has increased over the years from approximately \$2 million in 1946 to \$7.5 million in 1951.

FISHERIES DEPLETION: Fisheries biologists in British Columbia are concerned about an apparent decline in the abundance of Pacific salmon in certain areas.

There is evidence that the exploitation of the salmon resource is reaching a maximum for Canada's Pacific coast, according to the Pacific Biological Station of the Fisheries Research Board of Canada. This evidence was given in detail in the annual report of the Director of the station, Dr. J.L. Hart, submitted at the annual meeting of the Board, held in Ottawa.

The Pacific station, at Nanaimo, B.C., is attempting to find out whether the decline indicates a state of depletion due to over-fishing or whether it is the result of lowered productivity.

An increasing number of foreign fishing vessels operating on the Grand Bank of Newfoundland was contributing to a decline in the haddock stocks in that area, Dr. W. Templeman, Director of the Newfoundland Fisheries Research Station, told the meeting. Dr. Templeman said that 128 pair-trawling vessels from Spain were reported on the Grand Bank in 1951.

* * * *

NEW HEALTH PROJECTS: Better care for persons in Ontario's mental hospitals and sanatoria and for crippled children is foreshadowed in three projects approved as part of the National Health Programme, the Minister of National Health and Welfare, Mr. Paul Martin, has announced.

Arrangements have been made, he stated, for the part-time employment of physicians and medical consultants to assist the full-time medical staffs of the Ontario Hospitals and the Toronto Psychiatric Hospital. The physicians will perform routine examinations and hospital duties; the specialists will include psychiatrists, neurologists, ophthalmologists, pathologists, radiologists and dermatologists who will be called in whenever their special skills are needed for the care of a patient. A paediatrician will act as a consultant on problems of child health for the Ontario Hospital Schools at Orillia and Smiths Falls.

* * * *

NATIONAL BUILDING CODE: First draft of a proposed section on Construction Safety Measures, to be included in the National Building Code, is now available for review, it is reported by the Division of Building Research of the National Research Council.

The National Building Code was first published by the National Research Council in 1941 as an advisory document for the construction industry, and as a guide to municipalities in framing their building by-laws. In the light of ten years' experience, revisions have become necessary and the National Building Code is accordingly being completely rewritten.

THE SUPPLY POSITION: The following is an excerpt from the address of Mr. H.J. Sissons, Co-Ordinator of Materials, Department of Defence Production, at the Ottawa Conference of Business Paper Editors' Association, on January 10:

"Speaking in general terms, the supply position during 1951 has not deteriorated as much as might have been expected. All out war has not come and following a dramatic civilian buying and manufacturing boom between the outbreak of the Korean War and the middle of 1951 there has been a marked recession in civilian demand for many of the goods which consume major quantities of essential materials.

"As the Defence Production Programme moves more rapidly from the blueprint into the production stage there will be a gradually increasing pressure on essential materials; but many of these demands have been anticipated and new resources are being developed to meet them. Diversion of materials from civilian to defence manufacture will be kept to a minimum consistent with defence objectives....

CONSTRUCTION REQUIREMENTS

"Essential construction requirements are continuing unabated both for the armed services, for the development of strategic resources and for that large volume of general industrial expansion which is essential to a growing economy and at the same time represents the best form of insurance for future defence needs.

"Steel is still in exceedingly short supply, perhaps more so in Canada than in the United States and we do not foresee any overall relief for at least the first half of this year. As you are aware, Canadian steel mill expansion to the extent of approximately 33 1/3% is being pressed forward and will start to supplement supply towards the end of this year.

"Construction steel, including structurals, reinforcing rod and plate, is particularly short and will continue so. Exemplary to this demand is the proposed Trans-Mountain Pipe Line which involves some 160,000 tons and the Kitimat Development of the Aluminum Co. which has been estimated to involve 200,000 tons.

"A number of Non-Ferrous Metals, to mention only nickel, copper, aluminum, lead and zinc, are perhaps the most critically short of all world materials and in the United States the forward situation appears particularly acute because of the emphasis in that country on production of aircraft and other military weapons involving a very high consumption of such metals. Canada, as an important world supplier of a variety of strategic metals cannot escape the implications of this situation which, as you know, is receiving the continued attention of the International Materials Conference which sits in Washington, Despite everything which can be done to increase production of these metals the day cannot be foreseen when supplies will be adequate...."

CREDIT REGULATIONS MODIFIED: The Minister of Finance, Mr. Douglas Abbott, on January 11 announced certain modifications in the Consumer Credit Regulations to become effective January 14. The principal changes are:

1. The maximum time or credit period of an instalment sale or a loan is extended to eighteen months. Hitherto the maximum credit period has been twelve months. No change has been made in the minimum down payments required, of fifty per cent in the case of motor vehicles and one-third for all other commodities, nor is there any change in the minimum payments of \$10.00 a month of \$2.50 a week.
2. The regulations will no longer apply to pianos and other musical instruments.
3. Goods may be rented up to twelve months without becoming subject to the Regulations. Previously they became subject to the Regulations when rented for longer than six months.
4. All goods, with the exception of automobiles and motorcycles, when rented for use exclusively in a business, trade or profession will not be subject to the Regulations.

In announcing these changes Mr. Abbott emphasized that the underlying inflationary pressures are still strong and that restraint in the use of credit is still essential. However, he believed there had been sufficient change in the situation with respect to consumer credit since the early months of 1951 to warrant the modifications referred to.

It is not possible, he said, to see clearly very far into the future; if later in 1952 inflationary pressures declined some additional relaxations might be made; if, on the other hand, these pressures became more intense, the Government would not hesitate to tighten up again. In the current circumstances, said Mr. Abbott, it was necessary to re-examine our position from time to time and to make such changes in the regulations as the situation and prospects indicated.

* * * *

TWO STEEL ORDERS: Two steel orders reflecting the continuing difficult supply situation in 1952 were issued on January 9 by the Minister of Defence Production, Mr. C.D. Howe.

Steel Order SD-1 is designed to prevent the accumulation of excessive inventories.

Steel Order SD-2 deals with the construction uses of steel and although it replaces the former Ministers' Order No. 3 of March 1, 1951, it does not change the latter to any great extent.

* * * *

NEW \$750,000 SOO ARMOURY: The Prime Minister, Mr. St. Laurent, will officially open the new \$750,000 armoury at Sault Ste. Marie, Ontario, on January 19. It is the first post-war armoury to be built in Canada.

LT.-GEN. SIMONDS TO KOREA: Lt.-Gen. G. G. Simonds, CB, CBE, DSO, Chief of the General Staff, left Ottawa on January 15 by air to visit the 25th Canadian Infantry Brigade Group in Korea and its reinforcement group in Japan. He was accompanied by his military assistant, Lt.-Col. G.M. Sprung, and by the Director of Infantry, Col. Don Forbes.

In Tokyo, Gen. Simonds will confer with Gen. Mathew B. Ridgway, Commander-in-Chief of the United Nations' Forces, and with Brig. A.B. Connelly, Commander of the Canadian Military Mission in Japan. Later, in Korea, in addition to inspecting units of the 25th Canadian Infantry Brigade Group and conferring with its commander, Brig. John Rockingham, he will meet Lt.-Gen. Van Fleet, commander of the Eighth Army in Korea, and Maj.-Gen. J.H. Cassells, commander of the 1st Commonwealth Division, among others.

On his return to Japan the Chief of the General Staff will also visit the 25th Brigade Reinforcement Group and the Commonwealth Military Hospital of Kure.

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PACIFIC TRAINING CRUISE: ON BOARD HMCS ANTI-GONISH, at San Diego, California -- Two frigates of the Royal Canadian Navy, HMC Ships Beacon Hill and Antigonish, arrived on January 9 in San Diego, first of six ports of call on their seven-week training cruise to Pacific equatorial waters.

After leaving San Diego, the Canadian ships will visit Talara and Callao in Peru and, on the return voyage, will call at Balboa, Canal Zone, Corinto, Nicaragua, and Long Beach, California.

An elaborate ceremony is planned as the ships cross the equator about January 21. Old hands will form King Neptune's traditional retinue as he initiates those who have not crossed "the line" before.

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AUTO SALES DROP: Sales and financing of sales of new motor vehicles continued to drop in November, falling below 1950 levels for the seventh successive month. Sales of new motor vehicles in November totalled 21,929 units with a retail value of \$55,526,073 as compared with 32,752 units sold for \$71,365,769 in November, 1950. Sales of new passenger cars declined to 13,768 units from 24,832, but commercial vehicles rose to 8,161 units from 7,920.

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CANAL TRAFFIC AT NEW PEAK: Freight traffic on Canadian canals continued heavy in November when 3,344,711 tons were carried -- a new monthly peak -- as compared with 3,279,726 in the corresponding month in 1950.

SECURITIES TRANSACTIONS: There was a substantial increase in transactions in outstanding securities between Canada and other countries in October, the month's trade being marked by heavy repurchases of federal government bonds from the United States.

Purchases from all countries in October were valued at \$96,700,000 as against \$46,400,000 a year earlier, bringing the total for the first ten months of the year to \$464,300,000 against \$252,700,000. Sales in the month were \$66,500,000 against \$63,700,000, and in the January-October period were \$477,500,000 against \$489,300,000.

Purchases of securities from the United States in October amounted to \$93,100,000 as compared with \$40,200,000 in the corresponding month of 1950, while sales to that country totalled \$61,700,000 as against \$60,700,000. In the first ten months of 1951, the purchases aggregated \$436,900,000 as against \$222,600,000, and the sales amounted to \$433,100,000 as against \$474,800,000.

* * * *

RESIDENTIAL CONSTRUCTION: Starts on the construction of new residential units continued to drop in November, but completions rose slightly. The decline in starts -- the seventh in succession -- was 43 per cent, while the small gain in completions reversed the downward trend since May. In the first 11 months of 1951, the overall drop in starts was 25 per cent, while the completions were down about four per cent.

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WORLD WHEAT SUPPLIES: Supplies of wheat remaining on or about December 1, 1951 in the four major wheat export countries for export and carryover at the end of their respective crop years amounted to 996,000,000 bushels, down somewhat from the 1,065,000,000 available a year ago. Supplies in Canada were 485,000,000 bushels as compared with 355,000,000, United States 484,000,000 bushels against 661,000,000, Australia 19,000,000 bushels against 42,000,000, and Argentina 8,000,000 bushels against 7,000,000. The world wheat crop is now estimated at 6,550,000,000 bushels, which is above the prewar average and a little larger than the 1950 harvest.

* * * *

NATO TO MEET FEBRUARY 16: The Secretary of State for External Affairs, Mr. L.B. Pearson, who is this year President of the North Atlantic Council, announced on January 16 that after consultation with the Council Deputies in London it had been decided to hold the next meeting of the North Atlantic Council in Lisbon beginning February 16.

(Continued from P. 1)

MR. CHURCHILL'S OTTAWA SPEECH

certain that Europe could not have survived without the moral and material help which has flowed across the ocean from Canada and the United States. Now, we have the North Atlantic Treaty which owes much to Canadian statesmanship and to the personal initiative of Mr. St. Laurent. This treaty is not only the surest guarantee of the prevention of war but it is the sure hope of victory should our hopes of preventing war be blasted.

"So far this solemn compact has been regarded only in its military aspect, but now we all feel, especially since our visit to Washington, that it is broadening out into the conception of the North Atlantic community of free nations, acting together not only for defence for a specific danger but for the welfare, happiness, and progress of all peoples of the free world. For this we require to do all in our power to promote United Europe and the design of a European Army, including Germany.

EUROPEAN ARMY

"I have long been an advocate of both these ideas. We shall do all in our power to help them to fruition. That does not mean that Great Britain will become a unit in a federated Europe, nor that her army, already in line upon the continent and to grow steadily, will be merged in such a way as to lose its identity. We stand with the United States, shoulder to shoulder with the European Army and its German element. We stand under the Supreme NATO Commander and we stand ready to face whatever aggression may fall upon us.

After repeating in French his allusions to Europe, he proceeded:

"It was only ten weeks last Friday that I accepted His Majesty's commission to form a government in the United Kingdom. We have hardly yet had time to learn the full facts of our economic position, but what we saw at first sight convinced us of its gravity. By reducing our imports, mainly of food, by £ 350 million a year, and by other measures, we strove to arrest the evils which were advancing and descending upon us.

"We do not intend, we do not want to live on our friends and relations, but to earn our own living and pay our own way as far as the comforts and standards of the British people are concerned. I can assure you that will be the resolve of the British nation. We gave all our strength to the last ounce during the war, and we are resolved to conquer our problems now that the war is over. The ordeal that lies before us will be hard and will not be short. We do not shrink from any measures necessary to restore confidence and to maintain solvency, however unpopular those measures may be....

"I claim here in Ottawa that tonight in our gathering here we make a valiant and, I be-

lieve, unconquerable assertion of the spirit of our combined identity and survival. We have surmounted all the perils and endured all the agonies of the past. We shall provide against and thus prevail over the dangers and problems of the future, if we will withhold no sacrifice, grudge no toil, seek no sordid gain, fear no foe. All will be well. We have, I believe, within us the life strength and guiding light by which the tormented world around us may find its harbour of safety after a storm-beaten voyage.

"This year will mark the 85th anniversary of Canada's confederation. A magnificent future awaits Canada if only we can get through the present hideous world muddle. When I first came here after the Boer War these mighty lands had but 5 million inhabitants. Now there are 14 million. When my grandchildren come here there may well be 30 million. Upon the whole surface of the globe there is no more spacious and splendid domain open to the activity and genius of free men, with one hand clasping in enduring friendship the United States, and the other spread across the ocean both to Britain and to France. You have a sacred mission to discharge. That you will be worthy of it I do not doubt. God bless you all."

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MR. CONROY LABOUR ATTACHE: The Minister of Labour, Mr. Milton F. Gregg, and the Secretary of State for External Affairs, Mr. L.B. Pearson, announced on January 16 that Mr. Pat Conroy, of Ottawa, formerly Secretary-Treasurer of the Canadian Congress of Labour had been appointed to the staff of the Department of Labour and will take over duties as Labour Attaché at the Canadian Embassy at Washington, D.C.

In commenting on the appointment the Minister said that in view of the growing importance of trade union activities and labour relations in the international field, the Government considered it important to make provision for closer contacts in this field of international activities.

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REGIONAL LIVING COSTS: Cost-of-living indexes for the nine regional centres presented mixed changes between November 1 and December 1. For five cities the composite indexes registered advances while for the remaining four decreases occurred. Food prices averaged higher for St. John's, Saint John, Winnipeg, Edmonton and Vancouver due to increases in dairy products and fresh vegetables. Decreases in meats, notably pork and eggs were mainly responsible for lower food indexes at Halifax, Montreal, Toronto and Saskatoon. Clothing prices were firmer at all centres while home-furnishings and services were lower except at Montreal, Toronto, Winnipeg and Saskatoon.

"CANADA AND BRITAIN": "There is no reason why we cannot end this century with 100,000,000 people living on a high standard in Canada and the United Kingdom, each contributing to the other's industrial and trading importance," said the Minister of Agriculture, Mr. James G. Gardiner, in addressing the Canadian Club at Winnipeg on January 9 on, "Canada and Britain."

Mr. Gardiner, who was reporting on his recent visit to the United Kingdom and to the continent, spoke, in part, as follows:

"My conversations convinced me that Britain's need for our food is as great as ever. We are supplying her with more wheat and flour than ever before in pre-war peace time. We are supplying her with less of every other food we produce than at any other time over a long period. We should be able to find some way of making a trade with Britain and others which will result in our being able to send our food in exchange for something she has which we want.

THE NEED IS PEOPLE

"That which she has, which we need more than any other thing, is people. Sir Clifford Sifton stated at one time that each immigrant was worth \$1,000 to Canada. I am sure we will all agree now, fifty years later, that he was right. If an immigrant was worth \$1,000 in his day, one is worth \$2,500 today; 100,000 immigrants would be worth \$250,000,000. That figure could be multiplied to whatever multiple is necessary by moving surplus population from Britain to Canada. They would produce raw materials and food here to help keep employed and feed those at home. If that kind of an exchange cannot be satisfactorily worked out to balance over 50 years, it is not dollars that are lacking, it is ideas.

"The United States of America reached the middle of the last century with about 25,000,000 and had 100,000,000 about fifty years later. Britain and Canada passed the middle of this century with 65,000,000 and should have more than 100,000,000 fifty years later. It

would not do Britain any harm to reduce her home population at present and it would do Canada much good to increase hers. Shortage of dollars in Britain and shortage of people in Canada should not be allowed to interfere with an exchange which would help both.

"Britain must have raw materials with which to keep her population employed in industry. Britain's employed population must be fed, clothed, and provided with shelter. Persons employed in Canada can make much of the needed raw materials available. Persons employed in Canada can make food and building materials available. Persons employed in both Britain and Canada can produce from our raw materials much that is needed by humanity in general. It is in our mutual interests to work together for the maintenance of Britain and the development of Canada...."

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CRUDE PETROLEUM: Canadian production of crude petroleum in October was slightly under the September total but sharply above the October, 1950 output. Total for the month was 4,882,493 barrels as compared with 4,924,565 in September and 2,979,864 a year earlier, raising the cumulative total for the 10 months to 40,036,756 barrels from 23,300,070 in the similar period of 1950.

Alberta's output in October rose to 4,740,718 barrels from 2,879,538 in October, 1950, bringing the 10-month total to 38,604,031 barrels as against 22,050,956.

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CREDIT FOR GRAIN PRODUCERS: The Minister of Trade and Commerce, Mr. C.D. Howe, announced on January 9 that the Prairie Grain Producers' Interim Financing Act, 1951, would come into force on January 15. This Act was passed at the last session of Parliament to provide short-term credit to grain producers in the Prairie Provinces who, because of congested delivery points or inability to complete harvesting of their grain, are in need of credit until their grain can be delivered.

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WEEK'S EVENTS IN REVIEW

SEAWAY DOOR OPEN FOR U.S.: Canada is not closing the door on United States participation in the St. Lawrence Seaway, the Minister of Transport, Mr. Lionel Chevrier, said on January 8 in a nation-wide broadcast.

The Canadian Government, he said, will pursue the two alternatives of action under the 1941 Canada-U.S. agreement and action for the all-Canadian seaway, until it becomes clear which course will be the first to produce results.

"The logical action," he said during the course of his address, "would be a joint enterprise undertaken by Canada and the United States, as contemplated in the 1941 agreement."

The estimated navigation costs of \$250,000,000 represented a very considerable Canadian expenditure, to be sure, the Minister said, but the facilities "would not be provided as a gift to anyone, least of all to the U.S.". The expense would be borne by the users and the beneficiaries of the facilities by way of tolls on shipping.

The Seaway project, first negotiated between Canada and the U.S. before the turn of the century, "has progressed from being highly desirable to becoming extremely urgent. The urgency stems from both internal developments and external tension in the post-war period."

A very large part of the proposed Seaway has been already completed, said the Minister. From Duluth and Fort William to Prescott, the various channels "serve a great inland fleet that is said to provide the cheapest transportation in the world", with the largest vessels loading more than 20,000 tons, while below Montreal, the 35-foot deep St. Lawrence Ship Channel "has made Montreal one of the busiest seaports in the world, attracting all but the largest of ocean vessels." He added that removal of the bottleneck between Montreal and Prescott "that keeps the ocean vessels on one side, the lake vessels on the other" is the essence of the Seaway project today.

With respect to the construction of an all-Canadian Seaway project, Mr. Chevrier pointed out that application had been made in 1948 by agencies of New York and Ontario for authority to undertake a separate power development in the International Rapids. "Given such a power development, by these or any other appropriate agencies, Canada could and would add the navigation canals on her own side of the river." Furthermore, he said, the President of the United States had "undertaken to give this Canadian project his full support, should Congress fail to take early and favourable action on the 1941 agreement."

(Continued on p. 6)

MINERAL PRODUCTION SET NEW RECORDS IN 1951

TOTAL OF \$1,228,005,000: Canada's mineral production reached an all-time high total of \$1,228,005,000 in 1951 according to preliminary annual estimates by the Bureau of Statistics. This was 17.5 per cent above the previous peak value of \$1,045,450,000 for 1950, and considerably more than double the 1946 total of \$502,816,000.

Higher prices for the principal base metals accounted for a large part of the gain over 1950, but there were also substantial increases in physical volume of output for most of the minerals. The principal gains were for crude petroleum, copper, nickel, zinc, asbestos, lead, and cement. Gold was an exception to the general trend, being lower in both quantity and value than in 1950.

Estimated value of all metals was \$732,771,000, or 18.7 per cent higher than in 1950. Copper production was up 2.4 per cent in quantity to 540,967,000 pounds from 528,418,000, and 21 per cent in value to \$149,313,000 from \$123,211,000. Nickel output rose 11 per cent to 274,536,000 pounds from 247,318,000, while the value advanced 34 per cent to \$150,647,000 from \$112,105,000. Lead production fell eight per cent to 304,999,000 pounds from 331,394,000, but the value increased 17 per cent to \$56,120,000 from \$47,886,000. Tonnage of iron ore rose 31 per cent to 4,736,000 from 3,605,000, and the value increased to \$26,674,000 from \$23,414,000.

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TRANS-CANADA HIGHWAY: The year 1951 saw steady and satisfactory progress on the long awaited Trans-Canada Highway. The Minister of Resources and Development, Mr. R.H. Winters, said that as of December 31, 1951, contracts in the amount of \$57,304,713.26 had been let by the eight provinces who have signed the agreement under the Trans-Canada Highway Act passed in December, 1949. Of this amount the Federal Government will pay one-half. Provincial Governments have submitted claims and have been paid a total amount to date of \$11,090,614.80.

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\$222,314,266 MOTOR REVENUES: Revenues of Canada's provinces and territories from motor vehicle registrations, operating licences, gasoline taxes, infractions of highway regulations, and miscellaneous sources relating to the highways rose to a new high figure in 1950, aggregating \$222,314,266 as against \$196,040,170 the previous year, an increase of more than 13 per cent.

Largest part of the total revenue increase was due to a rise of \$17,312,269 or 12.5 per cent in revenue from gasoline tax, which totalled \$155,146,585, accounting for nearly 70 per cent of all revenues. Sales of taxable

Gold was again the leading mineral in terms of output value. The price of gold in Canadian dollars ranged from \$37.50 to \$35.80 per troy ounce, the nominal average being \$36.85 per troy ounce compared with \$38.05 in 1950. Production in 1951 amounted to 4,329,000 fine ounces valued at \$159,407,000 as compared with 4,441,000 at \$168,989,000.

The gain of 18 per cent in the value of mineral fuels to \$238,000,000 from \$201,194,000, was due almost entirely to the tremendous increase in production of crude petroleum in Alberta. The output of crude oil totalled 48,097,000 barrels compared with 29,044,000 last year, and the value was up 43 per cent to \$121,000,000. Coal production was slightly lower at 18,750,000 tons valued at \$110,050,000 as against 19,139,000 valued at \$110,140,000.

Structural materials were in greater demand throughout the year. Output of cement totalled 16,900,000 barrels valued at \$40,200,000, both totals being new records. Lime production moved up to 1,242,000 tons valued at \$14,181,000 from 1,124,000 at \$12,281,000. Clay products, which include brick, tile, sewer pipe, etc. gained eight per cent to \$23,600,000. Production of sand and gravel increased to \$42,953,000 from \$36,435,000, but stone fell to \$24,563,000 from \$25,895,000.

gasoline in the year amounted to nearly 1,509,000,000 gallons as compared with 1,384,000,000 gallons in 1949.

Other revenue from registrations, licences, etc. totalled \$67,167,681, up 15.4 per cent from \$58,205,854 the previous year. Revenues from registrations of passenger automobiles amounted to \$25,066,245 in 1950 and of trucks to \$25,275,405, while driver licences yielded \$4,096,470 and chauffeur licences \$1,523,126.

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LABOUR FORCE 5,210,000: Canada's civilian labour force stood at an estimated 5,210,000 persons during the week ended November 3 this year and of this total 5,100,000 had jobs and 100,000 were without jobs and seeking work, according to the quarterly survey by the Bureau of Statistics.

The civilian labour force at the period of the latest survey represented 53.2 per cent of the total non-institutional population 14 years of age and over, estimated at 9,790,000, down slightly from 53.3 per cent of the total a year earlier. On the other hand, the proportion with jobs was up slightly to 52.2 per cent as against 52.1 per cent, and that of the number without jobs down to one per cent as compared to 1.2 per cent.

FISHERIES CONVENTION: "The Tripartite Fisheries Conference between Canada, Japan and the United States, held in Tokyo November 5 to December 13, 1951, approved of a Draft International Convention for the High Seas Fisheries of the North Pacific Ocean, and the government representatives of the three countries recommended that the adoption of this convention, by their respective Governments be concluded as speedily as possible," the Fisheries Council of Canada reports.

"Ratification of the convention cannot be accomplished until after the Governments of Canada and the United States have signed the general peace treaty with Japan. This action is anticipated in the United States within the next few months and in Canada at the next session of Parliament this spring. Approval of the draft convention on fisheries would follow, normally, at a subsequent session of Parliament but, if need was apparent, it could happen at this year's session following, or concurrently with, the approval of the general peace treaty.

"The International North Pacific Fisheries Commission, to be established to carry out the terms of the convention, will be composed of three national sections, each one having not more than four members, appointed by the respective governments. The work of the Commission will apply to all waters, other than territorial waters, of the North Pacific Ocean, including its adjacent seas.

"It is gratifying to note the provisions in the convention which will ensure that the views of the fishing industry may be made known to the Commission. Each national section may have an Advisory Committee which shall be invited to attend all, except in camera, meetings of the Commission. In addition, the Commission, and each national section within its own country, may hold public hearings."

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JOBS FOR UNIVERSITY PERSONNEL: The Minister of Labour, Mr. Milton F. Gregg, reported on January 7 that the annual campaign to uncover permanent job openings for university graduates and temporary employment for undergraduates next spring had been started in December by the sending out of 8,000 questionnaires to employers across the country.

Mr. Gregg stated that it was evident from the quick response to the questionnaire that there would be a strong demand by employers for university job applicants this year. Within the first three weeks after the questionnaire had been forwarded, the Executive & Professional Division of the National Employment Service had received 1,300 replies offering 1,400 jobs for graduates and 1,800 jobs for undergraduates.

1952 TRADE FAIR: Exhibitor figures so far available for the 1952 Canadian International Trade Fair indicate that world buyers next June will be presented with a more comprehensive picture of Canadian production than they have ever seen before.

Canada's Trade Fair this year is expected to have a stronger Canadian flavour than for the past three years, with more exhibits in a wider variety of fields. Of the Canadian applications so far received, 34 per cent are from manufacturers who have never before exhibited at the Trade Fair. If this trend continues, which Trade Fair officials believe is likely, the 1952 Fair, to take place from June 2 to June 13, will have the most representative array of Canadian goods ever assembled.

Canadian exhibits so far cover 14 of the 16 different trade classifications, with machinery and plant equipment, metals and chemicals, and transportation equipment showing heaviest participation. Office supplies, household furnishings, and foods and beverages are also well represented, while textiles will again be a large category. Office equipment exhibits will be one of the major features of the show this year, with about 30 firms expected to exhibit.

The machine tool section of the 1952 Fair will rival last year's in size and scope. Although the British Machine Tool Association will not exhibit this year officially, individual members will comprise almost as large an exhibit of British machine tools as before. In addition, Canadian machine tool makers are expected to be better represented than last year. Germany, for the first time, will also be well represented in the machine tool section.

Reports reaching Trade Fair offices from the United States and abroad indicate that foreign participation this year will be more extensive than last year. Upwards of 30 countries are expected to exhibit, with Canada, England, the United States, the Netherlands, Germany, Italy, and France probably best represented.

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TOUR U.S. DEFENCE WORKS: The fifth class of the National Defence College, located at Kingston, Ont., consisting of 17 senior service officers and 9 civil representatives from Canadian industry, began a tour of Canadian and United States industrial and defence installations on January 6, it has been announced by National Defence Headquarters. The year-long Defence College course includes two tours. One covers American and Canadian industrial and military establishments, and the other, countries overseas.

GUNS FOR THE NETHERLANDS: Sixteen 3.7 anti-aircraft guns and 13 machine guns along with predictors, radar, spares and one million rounds of small arms ammunition will be shipped to the Netherlands Army from Halifax early in January.

The shipment, a second within the past several weeks, is part of an equipment transfer under the NATO mutual aid plan in which Canada is sending 100 of the anti-aircraft guns to North Atlantic Treaty countries.

In mid-December, Canada shipped eight of the weapons to Portugal. Within the past year, equipment for a full division has been sent to the Netherlands, Italy and Belgium in addition to a number of 25-pounder guns to Luxembourg. Total aid to date has been valued at about \$195,000,000.

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\$200,000,000 FISH HARVEST: Canada has one of the foremost fisheries experimental laboratories in the world with the completion in Halifax, N.S., of the renovated and expanded quarters of the Atlantic Fisheries Experimental Station of the Fisheries Research Board of Canada, the Department of Fisheries announces.

Long recognized as one of the leading fisheries research nations, Canada has seven stations from Newfoundland to British Columbia engaged in full-time biological and technological studies into Canada's commercial fisheries. This year these fisheries are expected to have a marketed value of nearly \$200,000,000.

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"SIOUX" AIDS RESCUE: On Board HMCS Sioux, at a UN Naval Base in Japan (delayed) -- This Canadian destroyer played an active part recently in the recapture from the Reds of an island off the west coast of North Korea and in the care of civilians and UN fighting men wounded in the struggle for the island.

The Sioux had been assigned to an area in which the Communists had been launching attacks on UN-held islands. Stationing herself off an island that had been under assault, the Sioux transferred a party of five to a South Korean minesweeper with instructions to ascertain the progress of the fighting.

Closing the island under cover of darkness, the minesweeper spotted two junks and, at the base of a cliff, a party of refugees and UN troops. They learned that the island had fallen and that the party on the shore was hopefully awaiting rescue, while being covered by a small rear-guard at the top of the cliff.

One of the junks was loaded with refugees and this the minesweeper towed to a nearby friendly island. Then the 'sweeper returned with four small sampans which, with their shallow draft, could go right in to the beach.

Forty persons were rescued. They included eight wounded, two women and a baby. The Reds fired 106 mm. shells at the covering warships

and the evacuation party came under mortar fire. There were no casualties, though a British ship was hit and holed during the incident.

The following evening, the ROK minesweeper, still carrying the Canadian party, returned to the island with a new force of South Koreans, which succeeded in recapturing the island.

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FARM CASH INCOME SETS RECORD: Cash income of Canadian farmers from the sale of farm products in 1951 amounted to an all-time high total of \$2,819,400,000, according to an advance preliminary estimate by the Bureau of Statistics. This was 26.8 per cent above the 1950 figure of \$2,223,500,000, and 13 per cent above the previous high of \$2,494,800,000 in 1949.

The increase in 1951 was largely attributable to substantial grain participation and adjustment payments by the Canadian Wheat Board, higher average livestock prices and unusually heavy marketings of western grain during the spring months. The latter resulted from heavy crops in 1950 and adverse weather conditions which delayed deliveries during the fall months.

In addition to the above totals, supplementary payments made under the provisions of the Prairie Farm Assistance Act, amounted to \$10,400,000 in 1951 as against \$13,800,000 in 1950, and \$17,600,000 in 1949.

All provinces shared in the rise in farm cash income in 1951. Total for Ontario, largest among the provincial figures, rose to \$793,192,000 from \$679,437,000 in 1950, Saskatchewan being next at \$622,002,000 against \$407,604,000, Alberta \$467,380,000 against \$368,790,000, and Quebec, \$432,758,000 against \$361,651,000.

Manitoba was next in order at \$267,339,000 against \$195,970,000, followed by British Columbia at \$114,266,000 against \$101,709,000, New Brunswick \$50,095,000 against \$46,699,000, Nova Scotia \$47,137,000 against \$39,556,000, and Prince Edward Island \$25,234,000 against \$22,106,000.

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GOLD AND U.S. DOLLAR HOLDINGS: The Minister of Finance, Mr. Douglas Abbott, announced on January 7 that Canada's official holdings of gold and U.S. dollars were \$1,779 million at December 31, 1951. The comparable figure for September 30 was \$1,610 million; for October 31 \$1,678 million; and November 30 \$1,749 million. At the end of 1950 the corresponding figure was \$1,742 million. All these figures are in terms of U.S. dollars.

The improvement in reserves generally was ascribed to a heavy inflow of American investment capital going into Canadian industry and Canadian natural resources such as the development of oil in Alberta, iron ore in Quebec and electric power for aluminum production in British Columbia.

LABOUR AGREEMENTS: "Although strikes and rumours of strikes make the headlines, peaceful negotiation of union contracts is the rule rather than the exception today," it was stated by the Minister of Labour, Mr. Milton F. Gregg, in commenting on a study of collective agreements made by the Economics and Research Branch of his Department.

The Minister pointed out that most of the agreements, of which the Department has a record, are re-negotiated each year with relatively little disruption to production. Although 4,862 such agreements were in force in Canada during 1950, only 55 work stoppages took place as a result of difficulties encountered in their negotiation or re-negotiation.

The number of wage and salary workers in Canada covered by provisions of collective agreements in 1950 stood at 1,282,000, an increase of 4.6 per cent over 1949.

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EXPORTS AT NEW PEAK: With the value of shipments to all main geographic areas well above the levels of 1950 in both periods, Canada's domestic exports to all countries reached all-time peak values in November and the first eleven months of 1951.

On a percentage basis, the rise in exports to the United States was of moderate proportions in both periods as compared with the gains in exports to overseas countries which were generally substantial. Yet exports to the United States still constituted some 55 per cent of the total in November and almost 60 per cent in the eleven months, as against approximately 66 and 65 per cents, respectively, in 1950, and accounted for two-fifths of the gain in the cumulative period.

Total domestic exports in November were valued at \$379,500,000 as compared with \$292,700,000 a year earlier. Close to half of this rise of almost 30 per cent was due to a larger volume of shipments. The cumulative total for the first eleven months of the year was \$3,535,100,000, almost 25 per cent above the total of \$2,828,500,000 for the similar period of 1950, and 13 per cent above the aggregate of \$3,118,400,000 for the full year 1950.

Among the commodities there were substantial gains in November over a year earlier in the value of shipments of wheat, other grains, newsprint, wood pulp, automobiles, aluminum, and nickel. But among the commodities showing declines were wheat flour, seeds, cattle, fish, and planks and boards. Eleven-month values for most of the major commodities were above those of a year ago.

Domestic exports to the United States rose nine per cent in November to \$209,262,000 from \$191,960,000 a year ago, bringing the cumulative total for the eleven months to \$2,107,-

735,000 as against \$1,829,478,000 a year earlier, a gain of 15 per cent. There was a mixture of gains and losses in November among the nine main commodity groups, but the trend was generally upwards in the eleven months.

Continuing the upward movement of the previous four months, domestic exports to the United Kingdom advanced in value to \$57,991,000 in November from \$38,580,000 a year earlier and for the first eleven months rose to \$568,320,000 from \$430,355,000, increases of 50 and 32 per cent, respectively. The gain of \$137,965,000 in the cumulative period accounted for nearly one-fifth of the aggregate increase for all countries. Wood and paper and non-ferrous metals accounted for a major part of the overall rise in exports both in the month and 11 months.

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NEW ANTHEM BY DR. WILLAN: A new anthem for full choir has been composed by Dr. Healey Willan of Toronto, in honour of the 100th Anniversary of Trinity College, Toronto.

Entitled Blessed Art Thou, O Lord, it will be sung by the Trinity College Chapel Choir during a Thanksgiving Service for the Trinity Centenary January 13 at St. James Cathedral. The event is one of several scheduled to celebrate the centenary of the College which was opened in 1852 and became a federated college within the University of Toronto in 1903.

The anthem is the 300th published work of Dr. Willan who retired little more than a year ago as Professor of Music at the University of Toronto.

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WHOLESALE PRICES LOWER: The weekly index number for 30 industrial material prices at wholesale continued to decline in December to reach a level of 284.7 by the week of the 21st. This compares with 286.2 for the week of November 30 and 280.9 for the month of December, 1950. Fractional commodity price declines were registered for wheat, oats, raw sugar, raw rubber, raw cotton, copper, and tin, while various advances occurred for imported bituminous coal, steers, and hogs.

Canadian farm product prices at terminal markets firmed narrowly from 258.9 to 259.4 between November 30 and December 21. This compares with 234.5 for December, 1950.

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"INSTITUTIONS OF HIGHER EDUCATION": In response to a demand for information both in Canada and abroad for information on courses of study offered by Canadian colleges and universities, the Bureau of Statistics has published a pamphlet entitled "Institutions of Higher Education in Canada"

(Continued from p.1)

SEAWAY DOOR OPEN FOR U.S.

It is in this context that the establishment of the St. Lawrence Seaway Authority is to be considered and the recent agreement with Ontario viewed, said the Minister. "The Authority has been created to complete the necessary works of the Seaway from Montreal to Lake Erie and to maintain the Canadian canals on completion. If the 1941 agreement is approved, the Authority will construct the works assigned to Canada in the joint venture. If the project proceeds on any other basis, the authority will complete the all-Canadian canals." He said that the agreement with Ontario "anticipates an all-Canadian Seaway" but if development is undertaken under the 1941 agreement, "its terms will be reviewed".

Under the all-Canadian Seaway project the cost of all works necessary for power development in the International section "would be borne by the appropriate agencies in Ontario and the United States", while the costs of adding the navigation facilities would "not much exceed \$250,000,000" in the Minister's opinion.

WITHIN OUR RESOURCES

"Large as the expenditure is, it is well within our resources," he said. "In fact, the project is no greater than others that have been undertaken in the past. Canada has already spent over \$300,000,000 in providing the Ship Channel below Montreal, the 14-foot canals into Lake Ontario, the Welland Ship Canal, and a lock at Sault Ste-Marie. Most of those expenditures date back to years when a dollar meant a great deal more than it does today, and when Canada was much poorer in material resources. The work and material that went into the Welland Canal alone would cost a good deal more than \$250,000,000 today.

"I would like to emphasize the great significance of the St. Lawrence Seaway project for Canada. It holds incalculable promise for the economic development of the whole nation. At the same time, the fact that Canada is able and willing to undertake the development alone is evidence itself of the growth we have already experienced and the stature we have attained.

"Finally, let me make it clear that we are not closing the door on United States participation in the Seaway. That participation is still the logical, the desirable choice. But it is results that count. Canada can no longer afford to rely on full United States participation as the only choice. The Canadian Government will pursue both alternatives, that is, action under the 1941 agreement and action for the all-Canadian Seaway, until it becomes clear which course will be first to produce results."

REHABILITATION OF HANDICAPPED: With the announcement on January 9 by a sub-committee of Cabinet composed of the Ministers of National Health & Welfare, Labour and Veterans Affairs, of the appointment by Order-in-Council of a 35-member National Advisory Committee on the Rehabilitation of Disabled Persons, the first step was taken in a joint federal-provincial long-range project designed "to prepare, preserve and restore the ability of the handicapped individual to work for pay and thus make himself self-supporting."

The Minister of Labour, Mr. Milton F. Gregg, on behalf of his colleagues explained that the formation of this Committee, representing the federal and provincial Governments, health and welfare voluntary agencies, the medical profession, organized labour, employers, and four members from among persons especially interested in rehabilitation, resulted from recommendations made at the first National Conference on Rehabilitation of the Physically Handicapped, held at Toronto last February.

Many worthwhile suggestions had been offered to the conference in Toronto last Spring, the Minister said, and all tended to indicate that it was in the interest of this country and, of course, of the handicapped people particularly, that a joint federal-provincial programme should be established, designed to prepare, preserve and restore the ability of the handicapped individual to work for pay and thus make himself self-supporting.

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LIVING COSTS DOWN: The Bureau of Statistics cost-of-living index declined from 191.2 to 191.1 between November 1 and December 1, 1951 to mark the first decrease in 23 months. The previous decrease was recorded between December 1, 1949 and January 3, 1950 when the index declined 0.5 points.

The latest movement of the index was accounted for by a slight recession in foods which overbalanced small increases in clothing, and homefurnishings and services. The food index moved from 250.2 to 249.3, due to decreases in meats, particularly pork, and eggs, which proved of greater importance than a large increase in potatoes coupled with small advances in milk, butter and other vegetables.

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QUEBEC BUDGET: In the Quebec Legislature on January 9, the Minister of Finance, Onésime Gagnon, announced anticipated record revenues of \$270,590,400 for the fiscal year ending March 31. No new taxes were announced.

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ST. JOHN'S NEW AIRPORT: The new airport of St. John, N.B., costing between \$5,000,000 and \$6,000,000, was officially opened on January 8 in the scenic Loch Lomond area nine miles from the city.



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WEEK'S EVENTS IN REVIEW

MR. PEARSON ON NATO: Introducing a resolution approving the entry of Greece and Turkey into the North Atlantic Treaty Organization, the Secretary of State for External Affairs, Mr. L.B. Pearson, told the House of Commons on December 29 that this step would "strengthen the deterrent value of NATO" and that by removing "the temptation to aggression in that area... it strengthens security everywhere." The resolution received unanimous approval.

As background to the question of increasing the membership of NATO, Mr. Pearson reviewed in some detail the discussions of the NATO Council at Rome and mentioned the next meeting in Lisbon where "we are expecting decisions to be taken" on a number of "big questions." He described the question of the entry of Greece and Turkey as "one further step toward the goal of the negotiation of a real peace..."

"This question," said Mr. Pearson, "is the result of long and careful consideration. There were various ways by which these two countries could be associated with the defence of Western Europe, and with the defence of the Mediterranean and North Atlantic states. We examined these various ways before we decided on the solution of full membership. If we took some time in examining the alternative methods, it was not because we did not appreciate the importance of associating Turkey and Greece with our efforts in the North Atlantic Organization."

"These are two countries, Mr. Speaker, one of which has already been the victim of communist aggression, and the other of which in recent years has had to face threats of communist aggression. They have already indicated their devotion to peace, and their determination to protect their freedom. They are two countries which in Korea have also proven their devotion to the idea of collective security. They have proven it by the heroic action of their men on the battlefields there. If we considered this question at some length it was also not because we did not realize the importance of safeguarding and strengthening the south flank of the North Atlantic area or because we did not realize the importance of the contribution Turkey and Greece could make to that end."

"It was thought at one stage that possibly the result which we all desired could be achieved by some kind of reinforcement of the bilateral defence arrangements which these two countries already had with the United States and certain other countries, and which by the overlapping membership of those arrangements with the membership in the North Atlantic Council could achieve the purpose we had in mind. It was also thought at one stage that possibly this purpose might be achieved by building up a separate Middle East or Mediterranean Pact which would be closely associated with the North Atlantic Pact, again

LABOUR MINISTER OPTIMISTIC: In a year-end statement, the Minister for Labour, Mr. Milton F. Gregg, said that in 1951, "the addition of a broad program of defence production to the structure of a normal peacetime economy resulted in a level of activity never before equalled in this country's history even during World War II.

"The year saw the establishment of large defence industries together with a substantial increase in the strength of the Armed Forces. There has been an increasing flow of goods from basic industries to meet the strong domestic and export demands, a surge of mineral, forest and water-power development, and a record volume of construction.

During the summer of 1951 there were about 5,350,000 Canadians at work, more than a million more than were employed in 1939. Employment and wages were never higher, but at the same time consumer prices rose and small pockets of unemployment were produced by the shifts in labour demand which took place during the year. In general, however, supply and demand were fairly well in balance and shortages of certain workers did not turn out to be as severe as had been anticipated.

DEVELOPMENT

Probably the most interesting feature of 1951 labour market was the shift of labour into areas where resources development projects were under way. New townsites and industries have grown up as a result of these projects, many of them in remote and unsettled regions. There was a steady movement of workers to such areas as the aluminum project in British Columbia, the construction of a 365-mile railway and terminal facilities to transport iron-ore from Ungava, and the growing Alberta oil and chemical industries.

"This resources development program has so captured the public imagination that it has to some extent, obscured the expansion which has been going on steadily in our manufacturing centres. In the past year alone, manufacturing firms have added 65,000 employees to their staffs and now provide work for some 1,100,000 wage earners and salaried employees. A large part of the increase was associated with the growth of defence and defence-supporting industries.

"In keeping with Canada's international commitments, the armed forces have been built up to their largest peacetime strength, while in addition to the demands of defence production about 36,000 civilians were employed full-time in national defence work.

"The flow of new workers into the country through immigration was greatly increased in 1951. In the first nine months, some 129,000 were admitted, of whom probably about 60 per cent entered the labour force. These immigrants have been of particular value in filling positions where workers are most needed -- logging, mining, farming and domestic service.

About 21,000 of those coming in, up to the end of October, were brought in under organized movements conducted by the federal Government to meet specific labour shortages.

PROSPECTS FOR 1952

"It seems likely that the main characteristics of the 1951 labour market will carry over into 1952. For the first few months of the year, winter unemployment will be present and there may be spotty unemployment throughout the year. But the basic economic trend is firm. There is world-wide need for the food, lumber, newsprint and mineral products which the basic and manufacturing industries produce. The defence and defence-supporting industries will be getting into high gear. With a high level of national income, it seems likely that consumer demand will re-assert itself. In regard to construction, 1952 will be a busy year as there are a great many large scale projects planned or underway which will take several years to complete. All these factors will contribute to a strong demand for labour, but with the readjustments which have been going on in the labour market, no over-all serious manpower shortage is foreseen."

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FARM INCOME UP 25 P.C.: Canadian farmers received an estimated \$1,864,900,000 from the sale of farm products and from grain adjustment and participation payments on previous years' crops during the first nine months of this year as compared with \$1,487,600,000 in the corresponding period of 1950, an increase of 25 per cent. In addition, supplementary payments made to farmers under the provisions of the Prairie Farm Assistance Act amounted to \$10,100,000 as against \$9,300,000, the Bureau of Statistics reported on December 26.

The increase in farm cash income was largely the result of substantial Canadian Wheat Board payments during the first six months and higher average livestock prices for the entire period. Heavy spring grain marketings which contributed materially to the income for the first half of this year were offset to a large extent by a substantial reduction in marketings of wheat in the third quarter. Extremely unfavourable harvesting conditions and limited elevator space at many country delivery points during the latter period seriously handicapped the movement of the 1951 western crop from the farm.

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LABOUR INCOME AT PEAK: Canadian labour income rose to all-time peak levels in September and the first nine months of this year. Total for the month stood at \$848,000,000 as compared with the previous high of \$833,000,000 in August, and \$728,000,000 in September last year. This brought the cumulative total for the nine months to \$7,092,000,000 as against \$6,053,000,000 the year before.

PRIME MINISTER'S NEW YEAR'S MESSAGE: Text of Mr. St. Laurent's Broadcast follows:--
My fellow-Canadians:

Our first thought at this holiday season is for the members of Canada's armed forces who are helping to restore the peace in Korea and to maintain peace elsewhere in the world.

Our hearts go out to those who have lost friends and loved ones in this fighting across the Pacific. And we have a special thought, too, for the families of all those in the army, navy and air force who are kept far from home in the service of their country.

When I spoke to you a year ago, I said 1950 had closed on a sombre note. As 1951 comes to an end the world situation is still far from bright, but the last twelve months have, I believe, seen more improvement in the prospects for peace in the world.

It is true that the fighting in Korea has not yet ended. But the negotiations for a cease-fire are continuing; and we are still hoping for a successful end to the hostilities in that desolate land, where the peace-loving nations have banded together to stop aggression and enforce respect for the rule of law.

During the past year the nations of the North Atlantic Alliance have been steadily increasing their combined strength, not to fight a war, but with the aim of making the prospects of successful aggression so uncertain that no one will start a third world war.

The free nations are in a better position to resist aggression than they were a year ago, but we still have a long way to go before our people can feel really secure. The nations which want peace must continue to build up their strength and to maintain their unity.

Above all, we shall need strong faith in a benign Providence which helps those who help themselves; and we shall also need patience to maintain the strength and the unity we are going to require for the years we can see ahead.

We cannot help ourselves towards this security against war which is our highest aim without some cost to all of us. We Canadians have always been ready to do our part and, with good will from all, I am confident that we can spread, fairly and equitably, the inevitable burdens of the joint effort to preserve peace.

But at the beginning of a new year we must not dwell too much on the darkness and the difficulties.

The opening of another year is a time for an assessment of the good as well as the bad. As we look back over 1951, we can see that there is much for which we in Canada should be grateful. Every year there is fresh evidence turned up that we live in a

land richly endowed by Providence. We are watching, in every one of the ten provinces, an immense development of our resources. We have never produced more and our trade is at an all-time high.

I know there are many families where the cost of living has caused real concern and even some hardship. But we can be thankful that most Canadians are gainfully employed. Compared with all other nations but one, we enjoy a very high standard of living, indeed. And that good fortune has enabled us to help the less fortunate in our own midst.

We are a free people with all that that implies. We have gained further experience in managing our own national affairs and in co-operating with other nations for the common good.

The beginning of the New Year is also the time for hope. We continue to hope that those in this world who are opposed to our free way of life will come to understand that the free nations have no aggressive designs against any other people; and that we are honestly prepared to live and to let live as the Common Father of us all intended that we should.

We hope the day is drawing nearer when His Will may be done on earth and when truth and justice, freedom and brotherhood, will prevail amongst men everywhere.

In closing, I wish each and every one of you in this happy Canada of ours a happy and a useful New Year.

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CNR PRESIDENT REVIEWS YEAR: In a year-end review, Donald Gordon, President of Canadian National Railways, said that to look back over the past year "is to be impressed with the marked and continuous expansion that has taken place in every facet of Canada's economy. There has been a healthy increase in our population; our stature as one of the primary food-producing countries in the world remains undiminished and our growth in industrial strength has brought us recognition appropriate to a senior member of the world community. The international situation has played a part in the stimulation of industrial development in this country, giving impetus to the establishment of new sources of strategic materials and influencing the trend of industrial growth."

"The Canadian National Railways was intimately associated with these activities in 1951," Mr. Gordon said. "From Newfoundland to British Columbia our engineers and development officers were active, working in close liaison with both Government and industry, whose combined planning indicates that more than \$600 millions will be spent in the immediate future on industrial plant and development along our lines."

"We have begun the construction of a 147-mile rail line from Sherridon, Man., to Lynn

Lake where an important property, containing nickel and other strategic metals, is being developed by Sherritt Gordon Mines. Preliminary surveys have also started that will result in the construction of a 46-mile rail link from Terrace, B.C., to Kitimat where a water power and refinery project, costing at least \$500 millions, has been started by the Aluminum Company of Canada.

NEW EQUIPMENT

"Our roster of diesel locomotives was increased by 108 units... and we are now awaiting delivery of 57 additional units for which orders were placed with the manufacturers during the year. We received 5,205 units of new freight car equipment, and 70 units of new passenger train equipment during the year, and we have more than 1,000 units of rolling stock now on order. Our programme of modernizing passenger cars in our own shops is making good headway....

"Management is... considerably concerned because the revenues from increased freight traffic and higher freight rates are not keeping pace with rapidly mounting operating costs. The biggest jump was in our wage bill. We are the largest industrial employer in Canada, and the granting of the 40-hour week with wage increases has created a heavy additional burden of operating expense that is bound to be reflected in our net income account. We are also the nation's biggest purchaser of industrial materials, and rising prices hit us hard....

HIGHWAY COMPETITION

"Another problem of national interest and, indeed, of concern, is that of growing competition from highway carriers. In every part of the country last year the network of highways was improved and extended by Federal and Provincial governments, and the competitive position of motor transport operators accordingly improved. The question of road rail competition is one to which the railways are giving a great deal of time and study... Part of the answer may be found in the extension of railway-owned and operated bus and truck services. New highway routes were established by the Canadian National Railways last year where we found that we could give a better service to certain areas, but these were, and will continue to be, regarded as supplementary to our railway operations...."

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H. M. C. S. ATHABASKAN HONoured: The President of the Republic of Korea, Syngman Rhee, has awarded a Presidential Unit Citation to H.M.C.S. Athabaskan (destroyer) for her service under the United Nations flag in the Korean theatre. The Athabaskan is now serving on her second period of operational duty in the Far East.

TRADE OF CANADA WITH U.S.: In its publication, "Review of Foreign Trade, First Half Year, 1951," the Bureau of Statistics analyzes the trade of Canada with the United States, in part, as follows:

"In the third and fourth quarters of 1950 imports from the United States expanded rapidly; and this expansion was maintained in the first half of 1951. For the half-year period the value of these imports was some 46% above the level of 1950. While exports also expanded, their growth was slower and their gain over 1950 values only about 23%. As a result of these trends the passive balance on trade with the United States reached \$344.1 million in the half-year, a level surpassed only by the 1947 half-year balance of \$488.0 million.

"Several features of present conditions are more favourable than those prevailing in 1947. While imports from the United States in the first half of 1950 were 1.5 times the value recorded in the corresponding period of 1947, exports to that country have increased by 2.3 times. The United States market now accounts for a far greater proportion of Canadian exports than seemed probable even two years ago, and as a result of the reduction of bilateral disequilibrium in trade between the two countries, the passive balance in the first half-year was equal to only 13% of total trade, as opposed to 33% in the earlier period.

"New gold production available for export reached \$80.4 million in the 1951 period, as against only \$45.9 million in the 1947 half-year. Also in 1951 there were substantial inflows of capital to Canada from the United States; whereas in 1947 there was a net capital outflow arising particularly from loans to overseas governments to finance purchases from Canada. Largely as a result of such factors the decline in Canada's reserves of gold and United States dollars from December, 1950, to June, 1951, was only \$57.8 million U.S., rather than the \$579.0 million U.S. experienced in the corresponding period of 1947. This was in spite of the complete abolition of the emergency exchange conservation controls at the end of 1950, and the disappearance of Canada's former large favourable balance on overseas trade.

"The basic reasons for 1951's heavy imports were the extraordinary levels of investment, consumption and exports in Canada, and for the more rapid expansion of imports than exports their difference in short-run supply elasticity. In the second half-year the increase in imports from the United States over 1950 levels may be less great, and the passive balance on this trade should be lower than in the first half-year. However it must be remembered that although indirect defence imports were significant in the period under review, direct defence imports had barely begun to appear in the trade statistics."

PARLIAMENT PROROGUED. The Fifth Session of the 21st Parliament was prorogued late on Saturday afternoon (December 29), following an unusual three-day post-Christmas debate on the Government's legislation to prohibit resale price maintenance. The bill was given third reading by the House of Commons in an overtime session on December 28, was passed by the Senate in less than two hours on Saturday, and received royal assent later that day.

The session ended with unanimous approval of a resolution, sponsored by the Secretary of State for External Affairs, Mr. L. B. Pearson, endorsing the inclusion of Turkey and Greece in the North Atlantic Treaty Organization. Mr. Pearson said the addition strengthened the Organization, which was putting "power behind peace", and none was threatened "except the aggressor."

A bill raising the maximum of government annuities to \$2,400 was left on the order paper, but three bills -- permitting the Government to award contracts of less than \$15,000 without tender in cases of urgency, granting certain privileges to military personnel of Atlantic Pact countries while in Canada and authorizing crop-failure payments to some western farmers -- all were passed before formal prorogation to February 7. A firm date for the first session in 1952 will be announced later by the Government.

The Speech from the Throne, read by Chief Justice Thibaudeau Rinfret as Deputy Governor-General, reviewed the legislation enacted during the session, expressed gratification over the "steady recovery of the King's health," and referred to the Canadian tour of Their Royal Highnesses, Princess Elizabeth and the Duke of Edinburgh, as having been "the occasion of a universal and heartfelt manifestation of the attachment of the Canadian people to the Crown and the royal family."

The Session was prolonged beyond Christmas by discussion of the prices legislation, which provoked heated debate, particularly in the committee stages.

* * * *

GROUND OBSERVER CORPS. The Ground Observer Corps, which is taking as its motto "The Eyes and Ears of the RCAF", is beginning to take shape, it was announced by Air Force Headquarters. Organizational progress has been made since planned formation of the Corps was announced last March, and it is expected that a call for civilian volunteers will be made early in 1952.

Detachments of Regular Force RCAF personnel have been formed at Halifax, Montreal, North Bay, Ont. and Vancouver. Other detachments are being formed at St. John's, Newfoundland; Winnipeg; Saskatoon, and Edmonton. These detachments will be responsible for organization and activation of the Corps in their respective areas, and for integration into the national system.

Also being established across Canada, from Newfoundland to British Columbia, are filter centres into which the thousands of civilian observers will submit their reports on aircraft sighted or heard.

Air Force officials are not yet ready for recruiting civilian observers or filter centre plotters at this time, but will welcome applications when the filter centres are set up during the coming year.

Main purpose of the Ground Observer Corps is to supplement the RCAF's early warning radar chain by reporting aircraft seen or heard. Organization and control of the Corps is the responsibility of the RCAF's Air Defence Command which also controls the early-warning system. ADC is working closely with the other Armed Forces, the RCAF Association, the Air Cadet League and with civil defence officials in organizing the Corps.

When the Corps becomes operational in 1952 about 150,000 civilians will be needed to fill the positions. Men, women and youths from all walks of life will be eligible, although preference will generally be given to personnel not normally qualified for regular military service in wartime.

* * * *

POWER DEVELOPMENT, 1951: Keeping pace with the expansion of general industrial activity throughout Canada, and the consequent need for large additional amounts of electrical power to serve industry and to meet the increasing demand from commercial and domestic sources, construction of power plants proceeded vigorously in 1951, the Minister of Resources and Development, Mr. Robert H. Winters, said in a year-end review of hydro electric progress in Canada in 1951.

"In conformity to the usual pattern of power development in Canada, a large part of this power-plant construction was comprised of hydro-electric installations, he said. There were also a number of thermal units of large capacity brought into operation, and others were under construction.

"Construction of electrical plants was active in all provinces but in the amount of new hydro-electric capacity coming into operation in 1951, the Province of Quebec was outstanding with a total of 461,700 h.p.

"One striking feature of new developments under way in 1951 is the number that are located in sparsely settled regions, with the power to be used in the immediate area; this serves to draw attention to the potential value of those undeveloped sites which may appear at present to be so remotely located that development is impractical and uneconomic.

"A total of 881,250 h.p. of new hydro-electric capacity was brought into operation in 1951 and, allowing for the dismantling of several old plants, the total installed capacity of water wheels and turbines in Canada is now listed at 13,340,774 h.p. This rep-

resents about 24 per cent of known resources. New plants and extensions to existing stations which are under construction for operation in 1952-53 total more than 1,700,000 h.p. and approximately the same amount is under preliminary construction or is definitely planned for operation in 1954-55. Supplemented by the output of new plants, production of electrical power was at a rate of approximately 13 per cent above 1950; in Canada as a whole, power production facilities were adequate to meet the current demand but little reserve capacity was available.

"In the field of power distribution, construction was also very active. New main transmission lines were completed or were under construction in many sections of the country, new transformer and sub-stations were built, and secondary lines were extended. Good progress in rural electrification was achieved, particularly in Ontario, Quebec and Manitoba."

* * * *

MR. PEARSON ON NATO. (Cont'd. from p. 1)

through overlapping membership and possibly military planning.

"After careful consideration it was decided that the best solution of this problem was not those which I have indicated, but rather an invitation to these countries to become full members in the North Atlantic Council, and signatories to the North Atlantic Pact. That was the position taken from the beginning by the United States and by the United Kingdom. It was the position taken by the governments of Greece and Turkey themselves, who felt that full membership was the best solution to this problem, from their point of view. It was the position taken by the North Atlantic military advisers. It was felt also that, even if it had been desirable, probably it would take too long to work out a Mediterranean or Middle Eastern or Near Eastern pact which, indeed, if we tried to do it, would involve problems of inclusion and exclusion which would not be settled easily, at least at this stage.

"As a result of this consideration we agreed unanimously to draw up a protocol, which, if it were ratified by all the governments of the North Atlantic Organization, would invite those two countries to accede to our pact. The effect of the protocol is not to extend the nature of our obligations under the North Atlantic Treaty. Those remain as they were. It does, of course, extend the area of obligations, the area in which we specify and reaffirm and indeed organize to carry out the general commitments which we have already undertaken as signatories to the United Nations charter.

"While I admit that this protocol, if it comes into effect, extends the area of our international obligations, I think that an examination of this question must convince

Hon. Members that that extension is more theoretical than real. If, for instance, a full-out aggressive attack took place on these countries, such aggression would immediately involve other countries, under their arrangement with these countries; and that, in turn, would involve the North Atlantic countries -- and, indeed, it would be World War III. Now, the step which we are recommending removes any uncertainty on this score. And uncertainty, as history proves, can sometimes in these matters be the greatest danger to peace. It strengthens peace by removing this uncertainty and by adding the defensive strength of these countries to our North Atlantic defensive alliance. It strengthens the deterrent value of NATO; and thereby, it makes for that peace, which is the only objective of the North Atlantic Organization.

"There is nothing provocative in this protocol, nor would there be anything provocative in the membership of Greece and Turkey in our defensive organization. It constitutes a threat to no one, except the aggressor. By removing, as I have indicated, the temptation to aggression in that area, an aggression which undoubtedly would spread all over Western Europe, and therefore spread all over the world, it strengthens security everywhere. That, Mr. Speaker, is why the Government recommends this protocol to the House of Commons at this time."

* * * *

NEW HEAD FOR PETROLEUM DIVISION: The Minister of Defence Production, Mr. Howe, has announced the appointment of Dr. Donald M. Morrison to succeed Dr. O.B. Hopkins as head of the Petroleum Division in Toronto, which has been responsible for pressing forward, in conjunction with industry, Canada's extensive programme of exploration, pipeline installation and refinery development. Dr. Hopkins was loaned to the Government by Imperial Oil Limited. Dr. Morrison, who was Deputy Director of the Division, is on loan from the Shell Oil Company.

* * * *

RECORD CONSTRUCTION: Rising sharply over previous years, the value of work performed by the Canadian construction industry reached an all-time peak total of \$2,727,968,000 in 1950, according to the Bureau of Statistics. This was \$507,193,000 or 22.8 per cent above the 1949 value of \$2,220,775,000.

* * * *

COMMERCIAL SECRETARY IN LONDON: The Minister of Trade and Commerce, Mr. C.D. Howe, announced on December 27, that Mr. R. Campbell Smith had been appointed Commercial Secretary for Canada in London, England, and would be sailing this week to take up his new appointment.

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CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

Vol. 7 No. 8

December 28, 1951

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WEEK'S EVENTS IN REVIEW

ITALIAN TREATY MODERATED: The Department of External Affairs announced on December 26 that a communication had been delivered to the Italian Ambassador in Ottawa regarding the interpretation of the preamble and certain articles of the Italian Peace Treaty.

The message, which was in reply to an approach from the Italian Government, expressed the agreement of the Government of Canada that certain clauses of the Peace Treaty are not consistent with Italy's position as an equal member of the democratic family of nations and released Italy from its obligations to Canada under a number of articles in the Treaty.

The Governments of the United States, the United Kingdom, France and certain other signatories of the Italian Treaty have taken similar action.

Following is the text of the Canadian Note:

"I have the honour to refer to your Note 2585/69 of December 8, 1951 and to inform you that my Government welcomes the proposals of the Government of Italy concerning the preamble and certain clauses of the Italian Peace Treaty.

"The Government of Canada agrees that the spirit reflected by the preamble of the Peace Treaty no longer exists and has been replaced by the spirit of the United Nations Charter and that the political clauses of the Treaty, articles 15-18, are superfluous. The Government of Canada also agrees that the military clauses of the Treaty are not consistent with Italy's position as an equal member of the democratic and freedom-loving family of nations and hereby releases Italy from its obligations to Canada under articles 46-70 and annexes relevant thereto."

NOVEMBER REVENUES JUMP: Due mainly to increases in corporation and personal income tax collections, the Government's budgetary surplus was increased by \$30,000,000 in November, bringing the eight-month total for the 1951-52 fiscal year to \$634,700,000, it was shown in the Comptroller of the Treasury's statement, released December 22 by the Minister of Finance, Mr. Douglas Abbott.

The statement said, in part:-

"Revenues collected in the month of November aggregated \$308.1 million compared with \$251.9 million in November of last year. Revenues for the first eight months totalled \$2,468.0 million compared with \$1,787.0 million in the same period of the previous fiscal year, an increase of \$681 million.

"The largest increase in revenue in the first eight months of the fiscal year was in corporation income tax receipts which were \$259.3 million higher than in the same period of last fiscal year. This increase was due to higher corporate earnings in 1950 and 1951 and to the increased rates of taxation imposed in the September 1950 and April 1951 budgets. Income tax payments by individuals for the eight month period were \$217.7 million higher at \$632.9 million, due in part to higher levels of personal incomes and in part to the defence surcharge imposed in last April's budget.

"Customs import duties in the same period increased by \$59.2 million to \$234.3 million, reflecting the continuing high level of imports. Excise taxes were \$181.7 million greater at \$575.8 million due to increased consumer expenditures and the increased tax rates imposed in the 1951 budget.

6.-MONTHS' ADVERSE TRADE BALANCE \$339.8 MILLION

DUE TO TRADE WITH U.S.: The most notable development in Canada's foreign trade in the first half of 1951 was the spectacular upsurge in imports. In spite of an increase in the value of exports, the increase in imports was sufficient to create a sharply adverse balance of \$339.8 million on the half-year's trade. The adverse balance was due to trade with the United States, trade with all other countries yielding a small favourable balance, the Bureau of Statistics reports in a review of foreign trade for the first half of 1951.

Imports have been rising steadily in value since the end of the war, due in part to a steady uptrend in the level of world prices, and in part to an increasing demand for goods in Canada, the analysis continues. During the second quarter of 1950 the rate of this increase was accelerated; the recovery of the United States from its recession had improved business prospects, consumption and investment demand were strong, and supplies of many imported goods had eased with the recovery of production in overseas countries. The Korean war and the resulting increase in defence expenditures further intensified the demand for goods, and stimulated new increases in many prices. Imports in the fourth quarter of 1950 and in the first two quarters of 1951 consequently reached unprecedented levels in volume as well as value.

IMPORT PRICES UP

While the steadily rising international price level has played a significant part in this increase, nevertheless a larger inflow of goods was chiefly responsible for these record import values. Import prices in the first half of 1951 averaged some 16% above the first half of 1950, but the volume of imports gained about 24%. The volume of imports was not only higher than in the first half of 1950, but also surpassed that of the seasonally high last half-year by about 9%. The combined effects of price and volume gains raised the value of imports 45% above the first half of 1950, and 22% above the level of the last half-year.

Exports also rose sharply in value above the level of previous years. In the first half of 1951 their value was 22% greater than in the corresponding period of 1950, and 3% above the seasonally high last half-year. Here, however, the major part of the increase was due to price. The volume of exports was over 6%

above the first half of 1950 and only about 4% below the last half of the preceding year. But the increase achieved over the first half of 1950 is qualified by the fact that in the first quarter of that year exports were somewhat depressed by market readjustment problems....

The altered pattern of trade by countries established during 1950 was maintained with relatively little further change during the first half of 1951. The United States took about 64% of Canada's exports and supplied 70% of imports, accounting for about the same proportion of trade in each category as in the corresponding period of the preceding year.

The share of the United Kingdom in exports declined a further 2% to 14.4%, and for the first time in three years her share in imports was reduced, falling to 10.7% from 12.9%. Mid-1951 statistics, however, indicated that this latter decline might be a temporary phenomenon.

European countries continued to increase their share of both export and import trade, and the Commonwealth countries increased their share of Canada's imports while taking a smaller proportion of exports. A sharp increase in exports to Japan was largely responsible for the increased share of other countries in Canadian trade....

BALANCE OF TRADE

The balance of trade was sharply adverse in the first half of 1951. This was the first period since the early 1930's that such a heavy adverse balance has resulted from trade with all countries, although in the period of rapid economic development during the first decade of the century such a balance was usual. (The economic background of these periods was, of course, very different from today's). The balance was due largely to trade with the United States....

Despite her relatively small population, Canada is one of the world's major trading nations. The International Monetary Fund publishes world trade statistics adjusted to approximately the same valuation basis for all countries (exports f.o.b., imports c.i.f.). These data show Canada to have been the world's fourth ranking exporter and third ranking importer in 1950. Canada also ranked third in total trade, and accounted for 5.4% of total world trade recorded by the I.M.F. for 1950....

NEW FLIGHT REGULATIONS: The Minister of Transport, Mr. Lionel Chevrier, announced on December 19 the introduction of precautionary measures that will apply to all flights made by civil aircraft in sparsely settled areas of the Canadian north.

The heavy demand on search and rescue facilities provided by the Royal Canadian Air Force during recent years has made necessary the introduction of these additional safety requirements designed to reduce this problem and at the same time avoid unnecessary interference with the free movement of civil aircraft.

The Minister commented that while aircraft may become lost in many areas of Canada usually considered as settled areas, it is nevertheless the case that the problem of location of missing aircraft is infinitely greater in the northerly areas, remote from land communications. These new precautionary regulations are therefore to be applied to areas lying to the north of the St. Lawrence as far as Quebec City, to the north of the Canadian National Railway, through Northern Ontario and to the northerly part of the Prairie Provinces and to the Northwest Territories. The northern part of the Province of British Columbia and of Vancouver Island is also included.

The new measures include the compulsory filing of a flight notification with the appropriate Department of Transport agency before an aircraft takes off from its base; this flight notification is to contain detailed itinerary and other vital information. It is also required that after July 1, 1952; aircraft shall be provided with either two-way radio installation or a portable emergency radio transmitter when in sparsely settled areas.

In addition to the provision of a certain minimum quantity of suitable concentrated food for each person carried on board suitable tents and sleeping bags, cooking utensils, an axe and matches in water-proof containers must be supplied.

* * * *

MINISTERS VISIT TROOPS: The Minister of National Defence, Mr. Brooke Claxton, and the Minister of Veterans Affairs, Mr. Hugues Lapointe, will visit members of Canada's armed forces serving in the Korean theatre in the near future. The Ministers and their party will take off from R.C.A.F. Station, Rockcliffe, aboard the RCAF C-5, probably late this month.

Accompanying Mr. Claxton and Mr. Lapointe will be Ralph O. Campney, M.P., Parliamentary Assistant to the Minister of National Defence; Dr. O.M. Solandt, Chairman of the Defence Research Board; Brig. W.J. Lawson, Judge Advocate General; Harry R. Low, Director of the Bureau of Current Affairs, and W/C Robert Thompson, Assistant Defence Secretary (Air).

The party will inspect 426 Squadron, the RCAF Squadron flying the Pacific Airlift. Visits will also be made to the 25th Canadian

Infantry Brigade in Korea and Royal Canadian Navy destroyers operating in Korean waters. The Commonwealth Hospital, at which Canadian wounded are treated, and various United Nations headquarters will also be visited.

* * * *

CRUDE PETROLEUM JUMP: Overall receipts of crude petroleum at Canadian refineries were one-third larger in September than in the corresponding month last year, and were 24 per cent higher in the first nine months of the year. September receipts amounted to 12,657,377 barrels as compared with 9,490,366 a year earlier, bringing the nine-month total to 97,030,804 barrels as compared with 78,150,437.

Domestic crude receipts were sharply higher both in September and the nine months, while there were moderate gains in imports. Receipts of Canadian crude in September amounted to 4,989,583 barrels as compared with 2,415,895; and the nine-month total was 34,046,239 barrels as against 19,400,087. Supplies of imported crude in September totalled 7,667,794 barrels as against 7,074,471, bringing nine-month receipts to 62,984,565 barrels as against 58,750,350.

Output of refined petroleum products in September increased to 10,676,985 barrels from 9,639,282 in the corresponding month last year, while the nine-month total rose to 87,333,071 barrels from 74,485,494 in the similar period of 1950.

* * * *

(Continued from p. 1)

NOVEMBER REVENUES JUMP

"Government expenditures for the month of November totalled \$278.0 million compared with \$209.2 million in November 1950. The increase of \$68.8 million was due mainly to an increase of \$65.9 million in expenditures of the Departments of National Defence and Defence Production.

Department of National Defence expenditures totalled \$108.0 million in November and \$667.0 million in the first eight months of the fiscal year. Expenditures of the Department of Defence Production, for which there were no comparable figures in the previous fiscal year totalled \$17.6 million in the eight month period.

Non-defence expenditures amounted to \$1,148.7 million for the first eight months of the current fiscal year or \$40.7 million greater than in the same period of the previous fiscal year....

"Revenues exceeded expenditures in the month of November by \$30.0 million, bringing the accumulated budgetary surplus to November 30, 1951, up to \$634.7 million. In November 1950, the budgetary surplus was \$42.8 million and the accumulated surplus at November 30, 1950 was \$406.0 million...."

"THE CANADIAN ECONOMY IN 1951"

MR. HOWE'S STATEMENT: The year 1951 was a good year for Canadian business at home and abroad and the outlook for 1952 is favourable, the Minister of Trade and Commerce and of Defence Production, Mr. C.D. Howe, said in a year-end statement on, "The Canadian Economy in 1951."

The events of 1951 justify an increasing optimism, not only for our future here in Canada but for the future of the countries of the free world with which we are associated, the Minister reported.

Touching upon the effects of rearmament, Mr. Howe said we had passed through an extraordinary year which had demonstrated, once again, the flexibility and the capacity of the Canadian economy.

After a review of Canada's defence production plan, he noted that inflationary pressure abated as the year progressed. Production continued to rise, easing the impact of the preparedness effort. In 1950, the gross national product amounted to \$17.8 billion; in 1951 it increased to about \$21 billion.

In the last five years, he said, \$2.5 billion had been spent in Canada on the development of our natural resources, most of this in fields essential to the defence of the free world. After mentioning the building of a railway through the northern wilderness, the construction of a pipe line across three provinces, and the creation of huge aluminum manufacturing facilities in an undeveloped area as examples of Canadian growth, the Minister added, "The St. Lawrence Seaway and power project will be of tremendous economic advantage to Canada."

Excerpts from the Minister's analysis follow:-

"In the whole of 1950, Canadian foreign trade, which is a main bulwark of our economy, was valued at \$6 billion; in 1951 this figure was reached in the first nine months. Last year our total exports and imports were approximately in balance. Such is not the case this year. Our exports in the first ten months of 1951 were \$627 million greater than in the same period of last year. But our imports were \$907 million greater. The resulting deficit is almost entirely with the United States. It should not be assumed, however, that this deficit results from any basic weakness in the structure of our foreign trade...."

"Large capital inflow from the United States was almost sufficient to finance our payments deficits, while maintaining our monetary reserves at a level close to that of last

year. In the meantime, some corrective forces have been at work. The deficit in our trade with the United States was not as large in the second half of the year as it was in the first half, reflecting in the main less strenuous consumer buying and increased exports of raw materials...."

"Our defence expenditures in the United States and their corresponding expenditures in Canada are of considerable importance to our external position. We are still spending much more on defence goods in the United States than the Americans are spending in Canada. This results, to an important extent, from our decision to standardize upon equipment of American types. Appropriate equipment had to be imported to replace what we gave to some of the NATO countries."

"In the period from April 1, 1950, to October 31, 1951, the United States has placed defence orders of some \$158 million in Canada, whereas we have placed orders of \$502 million in the United States. The unfavourable balance of these expenditures should taper off as we get into production in this country of the new equipment. Nevertheless, the United States authorities have commenced action to increase their defence buying in Canada and progress is being made."

"To expedite the exchange of defence goods, some measure of success has been achieved in arranging for duty free entry to the United States of these products. Our industries have a responsibility to see that there are facilities in Canada to meet the demands arising from United States defence contracts."

"Canadian exports to the Sterling Area in 1951 were much greater than in the previous year, in ten months of 1951 amounting to \$723 million as compared with \$558 million in the same period of 1950. The increases were nearly all in primary products, principally lumber and the metals. At the same time, our imports from the Sterling Area also increased, but not to such a great extent."

"The increase in our exports to the United Kingdom was due primarily to the greater needs of that country for raw materials for rearmament and stockpiling. Our increased exports to the rest of the Sterling Area also reflect this factor. In addition, imports into these sterling countries reflect their generally higher levels of economic activity. The new import restrictions announced by the United Kingdom in November have had no effect on our trade in 1951. It is too early yet to say what the effects will be in 1952...."

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CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

Vol. 7 No. 7

December 21, 1951

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WEEK'S EVENTS IN REVIEW

FOREIGN EXCHANGE CONTROL ENDED: The Minister of Finance, Mr. Douglas Abbott, announced in the House of Commons on December 14 the abolition of foreign exchange control in Canada. His statement follows:

"Members of the House will recall that when the Government introduced the Foreign Exchange Control Act in 1947, and when we introduced bills extending it for two year periods in 1949 and 1951, we made it clear that we regarded exchange control as a regrettable necessity with which we would gladly dispense when conditions permitted us to do so.

"The present Act expires sixty days after the commencement of the first session of Parliament commencing in the year 1953. During the past year or so there has been a progressive relaxation of Canadian exchange restrictions; the travel restrictions were abolished in October, 1950; the last of the import restrictions imposed for exchange reasons were done away with at the beginning of this year; and in the course of 1951 there have been a number of quite extensive relaxations in the administrative procedures followed by the Foreign Exchange Control Board under my direction with respect to capital movements and other matters.

"At the present time exchange control bears very lightly on the Canadian economy. These welcome developments have naturally caused me, as the responsible Minister, to give earnest consideration to the question whether the time was approaching when I could recommend to the Government that exchange control be done away with. In considering this question, it has fortunately not been necessary for me to make any forecasts regarding the tranquility or roughness of the waters which lie ahead; my task has been the more limited one of trying to decide whether there is sufficient likelihood that we shall wish to make use of foreign exchange restrictions to deal with whatever problems do in fact arise in the future to justify the continued retention of the powers contained in the Foreign Exchange Control Act and the administrative apparatus necessary to carry out its provisions.

"The conclusion I have come to is that we would be better advised not to rely on exchange restrictions, but rather on the general handling of our domestic economic situation to keep us in reasonable balance with the outside world and to maintain the Canadian dollar over the years at an appropriate relationship with foreign currencies. This view has been shared

(Continued on P.6)

TO EXPAND TRADE WITH BRITISH WEST INDIES

COMMENCING JANUARY 1: The Minister of Trade and Commerce, Mr. C.D. Howe, announced in the House of Commons on December 13 that negotiations have been completed to expand trade with the British West Indies, commencing January 1.

"The United Kingdom has now authorized extensions and additions to the British West Indies Trade Liberalization Plan, to take effect at the beginning of next year," the Minister said. "Under this plan, limited quantities of traditional exports from dollar countries are being admitted to the markets of the British West Indies. It is estimated that some 650 firms have taken advantage of the present plan.

WELCOME OPPORTUNITY

"The dollar value of the increased trade, which will result from these new measures, will not be large in total nor can it be estimated with any accuracy. For a number of Canadian exporters, however, it will provide a welcome opportunity to enter again into this trade. For others, it will mean that increased quantities of their products will be admitted to those markets.

"All of this is definitely a step in the right direction. It is our great hope that further expansion will become possible in this trade in the future.

"The British West Indies was the starting point for many of our manufacturers when they first looked abroad for export markets. There has been a tradition established of mutually advantageous trade. Because of the currency difficulties of the sterling area, British West Indian markets have unfortunately been closed to many of our goods since 1947. We have done our utmost in Canada, however, to provide a market for goods from the British West Indies, and from other countries in the

sterling area, so that they might earn dollars with which to buy our goods. Canada has become a principal and substantial source of dollar earnings for the British West Indies. These efforts have obviously been recognized and appreciated in the United Kingdom, and I am happy to announce that we are now having increased opportunities being made available for Canadian goods in these colonies.

"The Government attaches great importance to our trade with the British West Indies. During 1950, we made strong representations to the United Kingdom for the creation of the trade liberalization plan, which was put into effect on January 1 of this year. Since then, we have taken advantage of a number of opportunities to request the United Kingdom authorities to expand the existing arrangements...."

FIELD BROADENED

The revised plan provides for greater liberalization of trade under two headings, as follows:

(a) "List A", of commodities designated as essential, under which Canadian firms may export up to 50 per cent of the value of their trade for the average of the years 1946, 1947 and 1948, has been broadened to include further items. In addition, a number of items including salt fish, potatoes, onions, and animal feeding stuffs have been removed from List A and placed under open general licence. This means that these commodities may be imported freely into the British West Indies.

(b) "List B", of less essential commodities, has been extended by the addition of about 100 new items. Furthermore, the Canadian exports permitted, as a percentage of the base period, 1946 to 1948, has been increased from 33-1/3 per cent to 40 per cent."

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MINISTER OF SWEDEN: The Department of External Affairs has announced that on December 14, Dr. Klas Erik Bök presented to his Excellency the Governor General at Government House his Letter of Credence as Envoy Extraordinary and Minister Plenipotentiary of Sweden to Canada.

In 1948 Dr. Bök was appointed Chairman of the Foreign Exchange Control Board and Governor of the Bank of Sweden, of which he had been a member of the staff since 1936. He became a member of the Board of Directors of the International Bank in Basle in 1949. Prior to his appointment as Minister of Sweden to Canada, he also held the post of Governor of the International Bank of Reconstruction and Development and of the International Monetary Fund.

CANADA-U.S. TRAVEL: Plane, rail and boat were used for travel purposes by larger numbers of visitors to Canada from the United States in September and the first nine months of this year than in the corresponding periods last year, while fewer came by bus. All four modes of travel were used by larger numbers of returning Canadians both in the month and nine months.

Entries from the United States by rail in September totalled 43,648 as compared with 41,990 a year earlier, bus 39,202 compared with 42,664, boat 28,082 compared with 21,545, and plane 19,193 compared with 16,947. Canadian travellers returning by rail numbered 49,547 against 43,656, bus 58,021 against 56,611, boat 8,035 against 6,752, and plane 13,487 against 11,050.

DEFENCE ORDERS FROM U.S.: The Minister of Defence Production, Mr. C.D. Howe in the House of Commons on December 13, gave statistics on the total of defence purchases made by the United States in Canada and vice versa. While the situation seemed very much out of balance, he said that orders placed by the U.S. were, in part, token orders to provide for tooling, with the understanding that those orders will be followed by production orders.

Official orders placed by the Government of Canada in the U.S. amounted, he said, to \$502,739,872 whereas orders placed officially with Canada through the Canadian Commercial Corporation by the U.S. amounted to \$158,123,147.

"The Department," he said, "is not unhappy about a situation which on the basis of firm orders placed seems to be very much out of balance."

Mr. J.M. Macdonnell (P.C. - Greenwood) asked if the disparity might be made up in any way by private orders to which Mr. Howe replied that he knew of substantial orders placed, more particularly by American companies with their Canadian subsidiaries. He could only guess that the total of such orders would amount to as much as the business placed through the Corporation, perhaps \$150,000,000.

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ARMS FOR PORTUGAL: Eight 37 anti-aircraft guns together with radar detectors, predictors, ammunition and spare equipment will be shipped to Portugal by Canada in mid-December under the mutual aid plan to NATO countries.

The shipment from the port of Saint John, N.B. will be the first in a series which will see 100 of the 37 anti-aircraft guns sent to NATO countries.

Within the past year, Canada has given some \$195,000,000 worth of arms and equipment towards NATO defence. Equipment for a full division has been delivered to the Netherlands, Belgium and Italy and a number of 25-pounder guns sent to Luxembourg.

In a letter to the Minister of National Defence, Mr. Brooke Claxton, regarding the anti-aircraft guns, Defence Minister Fernando dos Santos Costa of Portugal said: "This material is essential to the territorial defence of my country. For this we owe a favour to Canada which will touch deeply the feelings of friendship of my countrymen for your country."

* * * *

WHOLESALE SALES UP 11 P.C.: Value of wholesale sales rose 11 per cent in October and the first 10 months of this year over the same periods of 1950, according to returns received from some 400 wholesalers in nine lines of trade. The unadjusted index, on the base 1935-39=100, stood at 375.0 as compared with 348.0 in September, and 339.7 in October last year.

JOBLESS INCREASE: The release of seasonal workers from agriculture, construction and fishing along with continued employment reductions in certain sections of manufacturing, is now causing an increase in the number of jobless workers across Canada, the Minister of Labour, Mr. Milton F. Gregg, announced on December 11.

At November 22, applications for employment on file with the National Employment Service totalled 192,900, an increase of 37,400 during the previous three weeks and of 66,000 since the low point reached in the latter part of August. The increase over the year amounts to 18,000.

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27TH FINAL DRAFT SAILS: The sixth and final draft of troops of Canada's 27th Infantry Brigade slated for service in Germany sailed from Halifax harbour at midnight December 13 on board the SS Columbia.

More than 700 troops from the 79th Canadian Field Regiment RCA, the 79th Canadian Field Regiment Signals Troop RCCS, 197 Light Aid Detachment RCEME and members of the 27th Dental Detachment RCDC sailed in the final draft.

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\$2 BILLION FIELD CROPS: Gross value of principal field crops produced on Canadian farms in 1951, based on prices during the August-November period, is estimated at \$1,856,000,000. When additional payments and price adjustments for the remainder of the crop year are taken into consideration, this value may well exceed the \$2,000,000,000 level for the first time in history. The preliminary estimate, covering 20 different crops, is already slightly above the 1950 revised total of \$1,854,000,000.

Direct comparison between these totals for the two years, does not give a true picture of the increase in value of this year's crops, however, since the 1950 total includes final payments on the Western Canadian wheat, oats and barley crops, while the 1951 total is based on initial payments only for those crops and also for sugar beets.

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FARM PRICES DOWN: Farm prices of agricultural products declined in October for the third successive month. The drop from September was attributable to lower prices for livestock, grains, poultry and eggs which more than offset substantially higher prices for potatoes. As compared with a year earlier prices were higher for all commodities except grains.

All-Canada index for October this year, on the base 1935-39=100, was 278.6 as compared with 283.9 in September, and 261.3 in October last year.

HMCS SIOUX IN ACTION: Aboard HMCS Sioux, December 13 -- First Canadian destroyer to attack the northern part of the east coast of Korea since last June, HMCS Sioux, recently completed an inshore patrol in which she bombarded enemy gun emplacements, installations and transportation lines in the Hungnam and Songjin areas.

The first portion of the Canadian warship's patrol was quiet. Working with an aircraft carrier and other United Nations warships, the Sioux took part in a prolonged carrier-borne air strike on Hungnam, after which she went back to the Wonsan area to deliver supplies to UN troops occupying a friendly island at the mouth of the long-besieged communist-held port.

From Wonsan, the Sioux returned to the Hungnam area on a combined blockade and bombardment patrol, firing her 4.7 guns against Communist gun emplacements and troop and truck convoys.

The Sioux then proceeded further north to the Songjun area, where she spent her time firing at selected targets ashore and continuing the disruption of rail facilities which had felt the effect of Canadian naval gunnery earlier this year, when the destroyers Huron and Nootka operated in the same area.

At night, the Sioux took up the destruction of whatever targets she could find, including Red truck convoys southward bound to the front-line.

In addition, the Sioux's guns paid effective attention to harbour and dock installations in the once busy industrial city of Songjun.

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OCTOBER TRADE: Canada had a favourable balance of trade with all countries of \$31,500,000 in October -- largest monthly credit balance since the final quarter of 1949. This compares with a credit balance of \$12,000,000 in September, and a small debit balance of \$1,700,000 in October last year.

Debit balance with the United States in October was \$27,400,000 as compared with a small deficit of \$900,000 a year earlier, while the credit balance with the United Kingdom was \$31,500,000 as compared with \$6,300,000. There were export balances with all other main groups of countries, a credit of about \$19,600,000 in trade with European countries as a whole being the largest. This compares with a credit balance of about \$13,442,000 in October last year.

The cumulative debit balance in trade with all countries in the first 10 months of this year was \$292,300,000 as compared with a comparatively small import balance of \$12,900,000 in the similar period of 1950. Debit with the United States was \$457,200,000 as compared with \$72,300,000, and the credit with the United Kingdom was \$143,700,000 as against \$61,800,000. The credit balance with European countries in the 10 months was approximately

\$124,000,000 as against \$76,400,000 a year earlier.

Imports from all countries were moderately higher in October at \$344,100,000 as compared with \$320,600,000 in the corresponding month last year, an increase of 7.3 per cent.

October domestic exports to all countries were up 18 per cent at \$371,000,000 as compared with \$315,200,000 in the corresponding month last year, bringing the cumulative total for the January-October period to \$3,155,600,000 as compared with \$2,535,800,000, for an increase of 24 per cent.

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JET FIGHTER SQUADRON TO U.K.: Another RCAF jet fighter squadron, No. 441 from St. Hubert, P.Q., is to leave Canada during February for the United Kingdom to commence a tour of overseas duty. It was announced on December 17 by Air Force Headquarters No. 441, known as the Silver Fox Squadron, will join 410 Cougar Squadron at the RCAF's new Fighter Wing at North Luffenham on arrival in Britain.

Air Force Headquarters also officially identified the third fighter squadron destined to leave for overseas duty as 439 from Uplands, outside Ottawa. This squadron is tentatively scheduled to leave Canada sometime in the spring of 1952, and will also be located at North Luffenham, to complete the Wing complement.

The Canadian Fighter Wing at North Luffenham and its component squadrons form the RCAF's initial contribution to the 11-squadron Air Division being made available to the Integrated Force Commander under NATO agreements. While in Britain the squadrons come under operational control of RAF Fighter Command. At a later date, when adequate airfields and accommodation are available, the Wing will move to the Continent, and current plans call for it to be grouped with the USAF.

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ANOTHER RCAF TRAINING SCHOOL. Another RCAF flying training school is to open January 1, 1952, it has been announced by Air Force Headquarters. The new training unit will be No. 1 Advanced Flying School, at RCAF Station Saskatoon.

During the last year RCAF aircrew training schools have begun operations at Gimli, Man.; Winnipeg, MacDonald, Man., Claresholm, Alta. and Calgary. In addition to the Saskatoon AFS, flying training schools are scheduled for opening during the coming year at Moose Jaw, Sask. and Penhold, Alta.

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RESERVE RAIL-RATE DECISION: The Board of Transportation Commissioners on December 18 reserved decision on the 10-per-cent freight rate increase sought by the Canadian railways. Eight Provinces - all except Ontario and Quebec - opposed the increase.

PRIVATE AND PUBLIC INVESTMENT, 1926-1951

MR. HOWE'S REPORT: Canadians have undertaken in 1951 a capital investment programme surpassing that in any previous corresponding period, while also embarking on the largest defence programme in the history of this country, barring all-out war. This statement appears in a report on "Private and Public Investment in Canada, 1926-1951", which was tabled in the House of Commons on December 17 by the Minister of Trade and Commerce, Mr. C.D. Howe.

Shortages of materials and competition for labour have resulted in some pressure on price and wage levels, said Mr. Howe. It is the second time in the course of the last few years that Canadians have experienced shortages and rising prices, the other occasion having occurred in the immediate postwar period. "Thus, a very large volume of investment can be a problem to an economy already operating at high levels."

INVESTMENT FLUCTUATIONS

"The experience of the decade preceding World War II was exactly the opposite. Then investment declined to a very low level, accompanied by mass unemployment and reduced income and standard of living. Our experience has been that investment, like exports, has been subject to substantial fluctuations over a period of time. Both have come to be regarded as very important factors to Canadian prosperity and development."

Highlights of the study follow:

(1) In 1921, manufacturing provided jobs for 19 per cent of Canada's working population, and commerce for 17 per cent. In 1950, manufacturing was the most important field of employment, 26 per cent; and commerce, 20 per cent. In the same period, agriculture declined from 37 to 20 per cent.

(2) Canadian industrial expansion has led to such a predominance of manufacturing industries in the economic life of the nation that every third dollar of Canadian national income is now earned in manufacturing industries.

(3) Canadians have been adding to the stock of physical capital in the post-war period at a rate hardly matched by any other industrial country. Although, on a per capita basis, Canadian achievements are not as great as those of the United States, Canadians have devoted a greater proportion of their national output to new investment than their neighbours to the south. For example, in 1950, new investment in plant, equipment and housing absorbed 17.7 per cent of gross national product in Canada, against 15.8 per cent in the United

States. In 1949, the difference was even more pronounced, 18.1 per cent against 14.1 per cent.

(4) With the expansion of capital facilities, efficiency of the Canadian labour force grows notably. From 1929 to 1950, the increase averaged about 2 per cent per year. This is indicated by the fact that the gross national product per capita in constant dollars rose by about 37 per cent in this period, and gross national product per employee in constant dollars rose by about 40 per cent. The remarkable feature of the increase in output per employee is that it was accomplished in spite of the fact that up to the middle of 1950 - and this excludes the war years - the trend has been towards a reduction in working hours. For example, the average worker in industry (excluding agriculture) worked an estimated 50 hours per week in 1929 and only 43 hours in 1950, a decline of 14 per cent.

PERSONAL SPENDING UP

(5) Even though Canadians did not work as long hours in 1950 as at the previous peak of economic activity, they were considerably better off in terms of living standards. Personal expenditures on consumer goods and services in constant (1935-39) dollars amounting to \$511 per person in 1950, or 38 per cent more than the \$371 spent per person in 1929. Between 1939 and 1950, the improvement is even greater because economic conditions immediately preceding World War II were less favourable than in the twenties. In 1939, consumer expenditures per capita in constant dollars amounted to \$335. This means that nowadays the average Canadian purchases 53 per cent more in real terms of food, clothing, housing, holidays, etc., than he did before the war.

(6) As a result of the capital investment boom, prices of capital goods have risen more rapidly than those of most other goods except commodities sold or purchased abroad. From 1939 to 1950, prices of capital goods rose by 117 per cent in overall terms, while those of consumer goods and services increased by 74 per cent. In the same period, prices of goods exported rose by 140 per cent and of commodities imported by 139 per cent. This suggests that an important element in Canada's rising price situation in the post-war years has been the transmission of price increases that took place outside Canada's borders. The result of these diverse price factors has been a rise of 79 per cent in the general price level between 1939 and 1950, with a further rise indicated for 1951.

(Continued from P. 1)

FOREIGN EXCHANGE CONTROL ENDED

by my colleagues, and the Government has today amended the foreign exchange control regulations so as to exempt all classes of transaction covered therein from permit requirements. I shall lay on the table of the House a copy of the Order in Council by which this has been done. Its general effect is that foreign exchange control has been abolished in Canada.

"It is the present intention of the Government to introduce at the next session of Parliament if the legislative programme permits, and at all events before the present Act expires, a measure repealing the Foreign Exchange Control Act and substituting therefor a new Exchange Fund Act drafted along the same general lines as those parts of the Foreign Exchange Control Act which have to do with the operation of the exchange fund. Meanwhile the exchange fund, which holds the official reserves of gold and foreign currencies, continues in being and in operation under the Foreign Exchange Control Act and is available to contribute to orderly conditions and as a factor of stability in the exchange market...."

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PULP AND PAPER RECORDS: Canada's pulp and paper industry had another record year in 1950 with new peaks in gross and net values of production, number of employees and salaries and wages paid, according to the annual industry report by the Bureau of Statistics.

The gross value of production -- the sum of the values of pulp made for sale in Canada, pulp for export, and paper manufactured -- rose to \$954,138,000 from \$836,148,000 in 1949, while the net value of production -- value added by manufacture -- advanced to \$511,143,000 from \$423,376,000. There were 52,343 employees in 1950 as against 52,050, and their salaries and wages aggregated \$169,247,000 as against \$157,704,000.

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ST. LAWRENCE SEAWAY BILL: The Senate on December 18 received a report from the House of Commons that it had concurred in a single amendment made by the Upper Chamber to the St. Lawrence Seaway bill, and the measure required only royal assent to become law. The amendment placed more control on the powers of the President of the three-man Seaway Authority to be set up to construct and administer the project.

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1,500 GIRLS NOW IN R.C.A.F. More than 1,500 girls, wearing R.C.A.F. blue, will be noting their first Christmas as members of the Air Force. The R.C.A.F. opened its ranks to women last June and the new members come under the same Service regulations that apply to male members of the Air Force.

CANADA AT THE UN. The Secretary of State for External Affairs, Mr. L.B. Pearson, made a statement in the House of Commons on December 15 in regard to Canada's vote at the United Nations on a proposal to set up a special fund to assist under-developed countries.

Speaking in reply to a question by Mr. M.J. Coldwell, C.C.F. Leader, who asked for information as to why Canada opposed the proposal, Mr. Pearson said:

"As I have not yet received a report on this matter from our delegation in Paris, it may be necessary for me at some later date to amplify what I am about to say. However, I do know that this proposal, and the action taken by our delegation in respect to it, does not mean that the delegation or, indeed, the Government is unsympathetic to the question of technical assistance for underdeveloped countries.

IN DEED AND IN WORD

"We have already expressed that sympathy, both in deed and in word, at this Assembly. This particular proposal, which was put before a committee of the Assembly, was for the establishment of a fund of \$500 million by the United Nations which could be made available, under the procedure outlined in the resolution, for the assistance of underdeveloped countries.

"The general attitude we have taken in this matter at the United Nations is that there is sufficient machinery for this purpose now, if members of the United Nations wish to use that machinery, and that it is unnecessary and therefore undesirable at this time to set up a special organization with a stated amount to be made available to it; especially as during the discussion of the matter the United States, which would normally contribute the greatest proportion of the resources which would be made available, indicated that it was opposed to the resolution, and opposed to the procedure, and would not be able to contribute to this fund.

"In the circumstances--and I think these are the circumstances; but I will have to confirm this when we receive the report from Paris--we decided to oppose the resolution. At the same time we were in favour of an alternative resolution which would have once again pledged our support for the principle of assistance to underdeveloped countries. However, we were not in favour of implementing that support by the particular method indicated in the resolution to which the hon. member has referred."



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WEEK'S EVENTS IN REVIEW

SEAWAY BILL APPROVED: The House of Commons gave third and final reading on December 12 to the bill authorizing the federal Government to go ahead with construction of the St. Lawrence Seaway, with or without the co-operation of the United States. Second reading, approval in principle, had been given on December 11.

A companion bill ratifying an agreement with Ontario for the development of power on the international section of the river was also approved.

While a Seaway Authority is to be empowered, if necessary, to build the seaway alone, the Government has repeatedly stated that the co-operation of the United States would be most welcome.

The measures now go to the Senate for three readings.

During committee consideration of the clauses of the seaway measure, Mr. Stanley Knowles, (C.C.F.-Winnipeg North Centre) asked if there were any point in time beyond which it would no longer be possible for the undertaking to be a joint Canada-United States undertaking.

"Yes, there must be a time," replied the Minister of Transport, Mr. Lionel Chevrier, who was piloting the bill. "When that time is I am unable to say, other than to repeat the general statement made by the President of the

United States and the Prime Minister of Canada to the effect that if Congress did not come along at an early date, then the President of the United States would be quite prepared to approve of this project as a second best choice, on condition that we would undertake to build the seaway."

Mr. Knowles: The Minister says that he is not able to indicate the exact date, although he realizes there has to be a point. Does the bill now before us close the door in any way or set any time beyond which there could not be a joint undertaking?

Mr. Chevrier: No, it does not.

During debate it was urged by some members that the seaway project be coupled with the federal development of natural resources in other parts of Canada, contemplated power projects in Saskatchewan and the Maritimes being specifically mentioned. To a Maritime member, who, although not opposed to the bill, expressed fear that the seaway cost might be a billion or even a billion and a half dollars, the Minister of Transport, Mr. Lionel Chevrier, made the following reply:

"The information we have is that it will certainly not cost that much. In so far as the power aspect is concerned, that is to be looked after by the Province in conjunction with an appropriate authority on the United States

POPULATION INCREASES 20.7 P.C TO 13,893,208

NEW CENSUS FIGURES: Population of Canada in June this year was 13,893,208, showing a rise since 1941 of 2,386,553, or 20.7 per cent, according to preliminary 1951 census totals released in a summary bulletin for the 10 provinces and two territories by the Bureau of Statistics. Newfoundland's entry into Confederation added 357,762 to the 1951 census total. Excluding Newfoundland, the population in 1951 totalled 13,535,446 as compared with 11,506,655 in 1941, an increase of 2,028,791, or 17.6 per cent.

The numerical increase between 1941 and 1951 for the nine provinces and the territories is the largest on record. It compares with 1,129,869 between 1931 and 1941, 1,588,837 and 1,581,306 in the 1921-31 and 1911-21 decades, respectively, and the previous peak increase of 1,835,328 between 1901 and 1911. Proportionately, the latest increase has been exceeded three times since the turn of the century, by percentage gains of 18.1 recorded in 1931, 21.9 in 1921, and 34.2 in 1911.

Ontario had the largest numerical gain in the ten years, the total rising 774,699 from 3,787,655 in 1941 to 4,562,354 to widen the margin as the most populous province. Quebec followed with a population growth of 678,353, or from 3,331,882 to 4,010,235. These two provinces had closely similar proportionate

increases of slightly more than 20 per cent in the ten years: Ontario's population accounted for 32.8 per cent of the all Canada total in the 1951 count, and that of Quebec for 28.8 per cent.

British Columbia's population had a ten-year rise of 335,198 from 817,861 in 1941 to 1,153,059. The proportionate gain of 41.0 per cent was the largest area gain. Population of Alberta increased from 796,169 in 1941 to 936,556, or by 17.6 per cent, while the total for Saskatchewan fell 7.5 per cent from 895,992 to 829,175. Manitoba's population advanced 5.8 per cent from 729,744 to 771,815.

Growth in Nova Scotia's population was 10.4 per cent from 577,962 in 1941 to 638,277 in 1951, while New Brunswick's total rose 12.0 per cent from 457,401 to 512,186. Population of Prince Edward Island increased 2.9 per cent from 95,047 to 97,787. Population of Newfoundland in 1951 was 357,762 as compared with 321,819 in 1945 -- date of the last official Census of the new Province -- a rise of 11.2 per cent.

According to first figures for these areas, the population of the Yukon Territory climbed in 1951 to 8,986 from 4,914 in 1941, while that of the Northwest Territories increased to 15,016 from 12,028.

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COMPETITION FOR SCIENTISTS: A world-wide competition of interest to scientists who have obtained, or are about to obtain, their Ph.D. degree is being held by the National Research Council of Canada. Some forty Postdoctorate Fellowships will be awarded in 1952-53. Successful candidates who are single will receive \$2820 per annum; married men will get \$3300. The money is tax free. In addition, award winners from abroad will get travel grants.

About twenty Postdoctorate Fellowships are to be granted in pure chemistry and fourteen in physics. These two groups are tenable at the Council's Ottawa laboratories. Five Postdoctorate Fellowships, tenable at the Council's Prairie Regional Laboratory in Saskatoon, Sask., will be awarded in biochemistry, microbiology, and related fields.

Applications and supporting documents should arrive in Ottawa before February 15, 1952. Candidates will be notified of their success at the beginning of May. The award may be taken up any time after notification, but preferably in September or October.

Requests for official application forms and further details should be addressed to the Secretary, Laboratories Awards Committee, National Research Council, Ottawa, Canada, or to the Chief Liaison Officer, National Research Council of Canada, Africa House, Kingsway, London, W.C. 2, England

OCTOBER AUTO SHIPMENTS LOWER. Factory shipments of Canadian-made motor vehicles in October increased over the preceding month but were below the corresponding 1950 month for the fifth successive time. The month's total fell nine per cent from a year earlier. With substantial gains in each month from January to May, aggregate shipments for the first 10 months of the year were still 10 per cent above those of a year earlier.

October shipments of made-in-Canada vehicles numbered 32,462 as compared with 35,573 in the same month last year. This brought the cumulative total for the 10 months ending October to 362,225 units from 329,776 in the similar period of 1950. Vehicles for the domestic market in the month were down to 22,874 from 31,931, but in the 10 months were higher at 315,009 compared with 302,457. There was a pronounced gain in the number of vehicles shipped for export both in the month and 10 months, the former rising to 9,588 units from 3,642, and the latter to 47,216 from 27,319.

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UNEMPLOYMENT INSURANCE: Unemployment insurance benefit payments in October rose to \$3,901,854 from \$3,570,904 in the same month last year, and the unemployed days for which compensatory payments were made were up to 1,567,172 from 1,540,670

12,000 NETHERLANDS IMMIGRANTS. As the Ninth Annual Federal-Provincial Farm Labour Conference ended December 3, it was evident that immigration would play a major role in maintaining a supply of manpower for Canadian agriculture, according to the Department of Labour

During the course of the three-day conference various plans were suggested for making best use of existing supply of farm workers including a suggestion to farmers that everything be done to encourage their sons to remain with the industry. However, it was obvious that although much might be done along this line, long-term developments were involved, and with the increasing demands of defence industries, the only ready answer during the summer of 1952 would be a continuation of immigration policy to channel workers into Canadian agriculture.

J A Paul, of the Citizenship & Immigration Department, told the Conference that 12,000 immigrants from the Netherlands were expected in Canada during the New Year. Of the 12,000, which includes women and children, it was estimated that between 4,000 and 6,000 would be farm workers. The first 700 would arrive in February.

It was pointed out that a large proportion of Netherlands immigration to Canada had eventually settled on farms on their own, thereby constituting a permanent increase to our farm population.

W.W Dawson, Director of the Special Services Branch, Department of Labour and Chairman of the meeting estimated that between 15,000 and 20,000 workers would be required by Canada from Europe next year including those for agricultural work.

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LIVING COSTS CONTINUE UP: The Bureau of Statistics cost-of-living index advanced 0.3% from 190.4 to 191.2 between October 1 and November 1. All groups except homefurnishings and services moved higher.

Foods rose from an index level of 249.7 to 250.2 due to substantially higher prices for potatoes coupled with lesser increases for milk, canned vegetables, corn flakes, cocoa, jam and corn syrup. Meats, notably pork, were mostly lower as also were eggs, sugar, oranges and cabbage.

An advance in clothing from 213.8 to 214.6 reflected higher quotations for woollen goods such as men's overcoats and sweaters, women's woollen hosiery and lingerie, and rubbers. An advance in fuel gas rates moved the fuel and light index from 150.2 to 150.8.

In the miscellaneous items section advances in cigarettes and health costs moved the index from 144.3 to 144.9. In the homefurnishings group a decrease in soap prices outweighed small advances in other items to lower the index from 200.1 to 199.9. The index for rents, reflecting the results of the November survey, moved up from 142.7 to 144.8.

FIFTH SHIPLOAD OF 27TH BRIGADE: The fifth shipload of troops of Canada's 27th Infantry Brigade moving to Germany to serve under Gen. Dwight D. Eisenhower sailed from Halifax December 8.

More than 1,200 men of "C" Squadron, Royal Canadian Dragoons; a detachment of the 1st Canadian Rifle Battalion; two rifle companies of the 1st Canadian Highland Battalion; 55 Canadian Transport Company, RCASC; 79 Field Ambulance, RCAMC; 196 Light Aid Detachment, RCEME and members of 27th Dental Detachment, RCDC made up the draft.

Four previous movements were made from Quebec City and this was the first sailing of units of the 27th from Halifax. Already in Europe are the 1st Canadian Infantry Battalion, the 1st Canadian Rifle Battalion and the 1st Canadian Highland Battalion

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RAIL OPERATING REVENUE RECORD. Heavier traffic, increased revenues and expenses and a smaller profit summarize August railway operations as compared with the corresponding month last year which included the nine-day national strike. Operating revenues in August this year were a record \$93,816,971, a rise of \$28,952,865 or 44.6% over August last year, while expenses jumped \$29,700,847 or 52.7% to \$86,105,922, also a new peak for August. Operating income for the month was \$4,031,154, down \$561,486 from \$4,592,640 for August last year.

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CALGARY WEST BY-ELECTION: Carl O. Nickle, 37 year-old oil writer, was elected to Parliament on December 10 in the Calgary West federal by-election necessitated by the resignation of Mr. A.L. Smith, Progressive Conservative, who had held the seat since 1945. The voting resulted as follows; C.O. Nickle, Progressive Conservative, 10,767; Dr. Frank G Buchanan, Liberal, 6,459, Arthur J. Dixon, Social Credit, 5,559.

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CBC TELEVISION IN 1952: CBC television stations in Toronto and Montreal may begin operations in the summer of 1952, according to testimony by Mr. A.D. Dunton, CBC Chairman, to the Radio Committee of the House of Commons this week. Mr. Dunton said the CBC had hoped to have the stations in operation by September last, but shortages of materials, particularly structural steel, had delayed the work.

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AIR FORCE MEDAL WINNER: Air Force Headquarters has announced the award of the Air Force Medal to Sergeant George B Leckie, 30, an RCAF Para-Rescue jumper from Winnipeg, Man. The award was made for his part in a rescue operation during which he and his team mates parachuted into rugged territory in the State of Washington to rescue two occupants of a crashed civilian aircraft

MR. DONALD GORDON ON THE RAILWAYS

COMPETITIVE RELATIONSHIP: Using the Royal Commission's statement of national transportation policy as a frame of reference, Mr. Donald Gordon, Chairman and President of the Canadian National Railways, stated his railway credo before the Canadian Railway Club of Montreal on December 10.

The C.N.R., Mr. Gordon said, is required to function within a system of checks and balances, one being the major privately-owned railway. He believed this developed a set of stable relationships in which the two railways were able to operate side by side, providing service to the Canadian public at a level of rates which is one of the lowest in the world.

In the competitive relationship of the two great railways, he saw an important mutual stimulus to greater efficiency which did not deny the private company scope for a vigorous and healthy existence.

SEPARATE EXISTENCE

Referring to the statement of the Commission that the Canadian Pacific and Canadian National "shall have the opportunity to operate side by side in order to provide the requisite services," Mr. Gordon said, "This means to me that the continued and separate existence of these two great systems is accepted as a fact, accepted as a premise on which all other aspects of our relationship must be based. I accept that premise fully and without reservation.

"The desirability of amalgamating these two systems is a view that is seldom heard these days, largely, I think, because experience has now demonstrated that there is not only a place for, but a need for both organizations. Quite apart from other cogent reasons for maintaining and continuing the two systems, there is an old adage to which we should pay attention. It is that 'enough is enough'.

"Both the Canadian Pacific and Canadian National already rank among the largest transportation systems of the world. The problem of bigness with its meaning for management and organization as well as its political significance is already serious and oppressive. It is becoming one of the most serious problems of many industries and is attracting the attention of the best brains in North America and elsewhere. It is well to remember that 'enough is enough'.

"The Commission stated that the two great railway systems are to provide the requisite services for the country and its people. This

serves as a reminder that the railways must justify their existence by rendering the kind of service the public wants at a price they are prepared to pay. The growth of competitive forces in the field of transportation has marked a significant change in the economic climate and presents a continuing challenge to railway management and railwaymen generally. The railways must be prepared and they must be permitted to adapt themselves to a changing world.

"This can be said to raise a question as to the competitive relationship between the Canadian National and Canadian Pacific. I am happy to say that not the slightest difference of opinion exists between the two great companies. We will co-operate with each other to the fullest in our mutual interest up to, but not past, the point of giving the other road a single passenger or a single pound of freight. Within that principle you will not find a disposition to engage in foolish or uneconomic expansion of services merely for the satisfaction of getting the business. We each recognize that the public is entitled to the best service and best rate which the railways can provide and still pay expenses and get a reasonable margin of profit....

RECAPITALIZATION

He said he disagreed emphatically with the view that recapitalization of the Canadian National threatened the existence of the privately-owned system.

Mr. Gordon submitted that it was an economic accident rather than a political design which brought the Canadian National into existence. With the passage of time this accident gave rise to a practical blue print for implementing national policy, and the design was that the organization and business principles of private enterprise were employed as a model for the publicly-owned railway.

"I do want to stress that the formation of Canadian National Railways did not and does not now in any sense represent a deliberate experiment in socialism, and to treat the Canadian National as the expression of a political theory is complete nonsense.

"The Canadian National directors and management do formulate and hold independent viewpoints on all matters of policy which are likely to affect the net revenue position of the company, and we consider it not only a right but a duty to make those views known at the proper time and place," he said.

SEAWAY BILL APPROVED

side of the line, so this House is not called upon to consider any expenditure in so far as that angle is concerned.

"Neither is the House called upon to consider any expenditure so far as the navigation portion of the project is concerned. It is estimated that the navigation feature of the project will cost \$245,993,000, which is broken down as follows: in the Lachine section for navigation alone, \$98,229,000; in the Soulanges section, \$37,116,000; in the lake St. Francis section, \$2,513,000; in the international section, \$106,833,000, and in the Welland ship canal \$1,302,000, making a total of \$245,993,000.

"It is expected that these sums of money will be liquidated by the imposition of tolls. Surveys have been made in the Department of Trade and Commerce, and it is anticipated that by the imposition of tolls throughout the seaway it will be possible to liquidate the scheme over a period not exceeding fifty years. It will be possible to liquidate the interest charges, cost of operation and amortization. There is nothing so extraordinary about that. That has been considered by both the Government of the United States and the Government of Canada, and we are of the opinion that the scheme can be liquidated by the imposition of tolls in the manner set out in the bill."

The effect of a St. Lawrence deep waterway upon the development of the iron ore deposits of Quebec and Labrador was frequently referred to during the debate. The following picture of future Canadian development was given by the Leader of the Progressive Conservative Party, Mr. George A. Drew:

"We are seeing this country develop as it has never developed before; but we are only seeing the beginning of what can come in a country that now has such vast quantities of iron ore, oil, uranium and the other things which will go into industrial expansion in the years ahead.

"Our target should be something like 15 million tons of steel a year, and even that will be far below what this country will be requiring within a comparatively few years. It will be far short of the amount the country can use to great advantage if we recognize that steel is the metal base of industrial development and economic strength...

"We have iron ore, we have electric power and we have oil available in ever increasing quantities. We have inland waterways to carry the ore and our finished products back and forth. We have harbours at the seaboard to ship our finished products to the markets of the world. It is one of the most challenging prospects that has unfolded before any nation.

"With all that has happened, we are now entering the period of greatest opportunity this country has ever seen, and that oppor-

tunity will be largely measured by the encouragement that is given to processing, finishing and manufacturing based on steel. I am not talking only of processing to the point of the steel ingot. I am talking of all the associated industries that will grow upon the expanded use of steel in Canada. Just as Great Britain suddenly emerged from the stage just over a hundred years ago where its population was a little more than our population today to a position of great international power and wealth, this country is at the beginning of a historic period when we may see our population grow to numbers far beyond anything we have yet dreamed..."

IMMIGRATION, 1951: During the first nine months of 1951, 129,885 immigrants entered Canada as compared with 54,250 in the same period of 1950, an increase of 139 per cent. The following table shows the countries of origin of the main groups and compares this year's totals with 1950:

	Nine Months ended Sept. 30, 1950	Nine Months ended Sept. 30, 1951
English.....	3,369	13,555
Irish.....	1,002	1,737
Scottish.....	2,254	6,228
Welsh.....	179	415
United States.....	5,884	6,015
Belgian.....	323	1,950
Danish.....	761	3,644
Dutch.....	6,348	15,880
Finnish.....	356	2,267
French.....	775	3,833
German.....	3,920	16,427
Norwegian.....	160	548
Swedish.....	84	509
Swiss.....	296	764
Bulgarian.....	49	250
Chinese.....	1,178	2,029
Czecho-Slovakian.....	942	2,264
Estonian.....	1,242	3,927
Greek.....	516	2,008
Hebrew.....	1,823	4,756
Italian.....	6,028	16,338
Jugo-Slavian.....	693	2,613
Lettish.....	1,403	1,944
Lithuanian.....	717	827
Magyar.....	1,108	2,833
Maltese.....	389	1,260
Polish.....	5,303	8,148
Roumanian.....	285	630
Russian.....	461	1,283
Spanish.....	46	205
Syrian.....	59	131
Ukrainian.....	3,034	4,273

Other groups not listed numbered less than 100 persons per group.

MR. TRUMAN HONOURS R.C.A.: The Minister of National Defence, Mr. Brooke Claxton, announced on December 7 that President Truman had accepted an honorary membership in the Officers Mess, Third Divisional Royal Canadian Artillery, Montreal.

The announcement was made at a mess dinner and Mr. Truman who, like Mr. Claxton, served as a gunner in the First World War, now is an honorary member of the Defence Minister's old regiment.

The President accepted the invitation after he had attended U.S. military manoeuvres with Mr. Claxton at Fort Benning, Ga. and Eglin Field, Fla. He also accepted a Royal Canadian Artillery "gunner's" tie from Maj.-Gen. A.E. Walford, Honourary Colonel of Mr. Claxton's old regiment "in appreciation of your own distinguished service in that important arm of the service."

At the dinner Mr. Claxton told how the tie presentation came about. The President, seated next to the Defence Minister at Eglin Field, remarked on the "gunner's" tie he was wearing. Mr. Claxton expressed surprise that "the best-known gunner in the world" did not have one and said he would see that the situation was rectified. On returning to Canada, he took the matter up with Gen. Walford, who commented "Let's do the thing properly and invite the President to become a member of our mess."

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"CAYUGA" IN ACTION: Aboard HMCS Cayuga, at a UN Naval Base in Southern Japan -- HMCS Cayuga once again has drawn enemy fire, apparently brought up to oppose the guns of the three Canadian destroyers serving in the Korean theatre.

On her most recent patrol, the Cayuga anchored in the channel between the island and the enemy mainland while an American destroyer escort took up another position to seaward. At last enemy resistance was drawn out. In answer, the Cayuga fired 15 two-gun salvos and a number of star-shell which kept the enemy quiet enough to allow the withdrawal of a

raiding party of UN soldiers the Canadian warship was supporting.

During her time in this area, the Cayuga anchored three times and drew back communist fire which one ship's officer described as little better than a pyrotechnic display. None of the enemy shells came close enough to the Canadian warship to make them respect the Reds' gunnery.

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CRUDE PETROLEUM: There was a further marked increase over a year earlier in the output of crude petroleum in September, but the month's production was moderately below the all-time peak established in August. Cumulative output for the first nine months of the year was one-fifth greater than for the full year 1950.

All-Canada output in the month amounted to 4,926,683 barrels as compared with 5,323,835 in August, and 2,728,948 in September last year. In the nine months, 35,156,381 barrels were produced as against 20,320,206 in the similar period of 1950.

Wells in Alberta accounted for 4,776,038 barrels in September compared with 2,604,936 a year earlier, bringing the aggregate for the nine months to 33,863,313 barrels against 19,171,418. Crude output from the Redwater field rose in September to 2,505,684 barrels from 1,097,873, and in the nine months the total advanced to 17,603,874 barrels from 6,736,882. There was a substantial gain in production from the Leduc field both in September and the nine-month period, the former rising to 1,367,630 barrels from 985,287 a year earlier, and the latter to 9,742,787 barrels from 7,917,190 in 1950. September total for Turner Valley dropped to 223,790 barrels from 257,468, and in the nine months there was a drop to 2,215,763 barrels from 2,516,703.

The month's output from wells in Saskatchewan amounted to 115,079 barrels compared with 87,079 in September, 1950, bringing the nine-month total to 926,116 barrels from 773,319.

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WEEK'S EVENTS IN REVIEW

ST. LAWRENCE RIVER DEVELOPMENT: Important steps toward Canadian development of the St. Lawrence River for navigation and power purposes were taken in the House of Commons with the announcement of a power agreement between the federal Government and the Province of Ontario and the presentation of a resolution to create the St. Lawrence Seaway Authority.

The Prime Minister, Mr. St. Laurent, announced on December 3 the signing of an agreement between the federal and Ontario Governments, while the Minister of Transport, Mr. Lionel Chevrier, moved on December 4 the resolution standing in his name to establish an Authority for the purpose of constructing a deep waterway between the Port of Montreal and Lake Erie.

It was made clear in the statements of both spokesmen for the Government that Canada would prefer to have the United States' full participation in the St. Lawrence seaway project. However, said Mr. Chevrier, in the event that approval of Congress is withheld or action further delayed, "this Government is prepared to undertake an alternative namely, an All-Canadian Seaway, and to endeavour to bring about the development of power in the International Rapids Section by the Province of Ontario and an appropriate U.S. authority...."

In tabling the agreement between the federal and provincial Governments, Mr. St. Laurent said it had been concluded on the assumption that the United States would not participate in the seaway project, and had been drawn upon the understanding that the navigation works would be undertaken by the federal Government and would be entirely within Canada. It contemplated, he said, that Ontario will undertake the power development concurrently with an appropriate United States agency. The agreement would be reconsidered and modified if Congress were to approve the Great Lakes-St. Lawrence Basin Agreement of 1941.

Mr. St. Laurent gave as the more important provisions of the agreement:

"1. Canada will transfer to Ontario the administration of such lands belonging to Canada as are required for the project, and Ontario will pay compensation for these except for lands or property forming part of the existing canal system.

"2. Ontario will transfer to Canada the administration of such lands belonging to Ontario as are specified by Canada as being required for works to carry a deep waterway in the international rapids section.

"3. Ontario will establish a commission to safeguard and enhance scenic beauty and his-

IMMIGRATION UP 139 P.C.: Immigration to Canada during the first nine months of this year greatly exceeded that of the corresponding period of 1950. Figures released by the Department of Citizenship and Immigration show that from January 1 to September 30, 1951, 129,885 immigrants landed in Canada. This compares with 54,250 persons for the same months last year.

The figures reveal that almost equal numbers of agricultural immigrants, unskilled and semi-skilled workers, and skilled workers arrived. The balance of these three categories is shown in the following table:

<u>Occupation</u>	<u>From Overseas</u>	<u>From U.S.A.</u>	<u>Totals</u>
Farming	19,630	214	19,844
Unskilled and Semi-Skilled	18,871	359	19,230
Skilled	19,848	528	20,376
Clerical	3,288	350	3,638
Professional	2,358	465	2,823
Trading	1,745	409	2,154
Female Domestic	3,937	37	3,974
Others	3,082	647	3,729
Total Workers	72,759	3,009	75,768
Dependent Wives	21,776	1,524	23,300
Dependent Children	29,335	1,482	30,817
Total Dependents	51,111	3,006	54,117

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B.C. POPULATION RISE: Population of British Columbia showed a sharp numerical increase of 335,198 or nearly 41 per cent between 1941 and 1951, by far the largest 10-year population growth in the history of the Province, according to preliminary census figures released by the Bureau of Statistics. Population of the Province in 1951 is placed at 1,153,059 as against 817,861 in 1941, 694,263 in 1931, and 524,582 in 1921. Totals show population increases between 1951 and 1941 in all 10 census Divisions into which the Province is divided.

The overall numerical growth between 1941 and 1951 is almost three times the 1931-1941 increase of 123,598, almost twice the 1921-1931 expansion of 169,681, and 121,375 greater than the previous peak increase of 213,823 between 1901 and 1911. The 1951 population is six and one-half times larger than at the turn of the century.

Population of Division Number 4, which includes the City of Vancouver, had the largest numerical increase in the last 10 years, jumping from 449,376 in 1941 to 641,644 in 1951. Population of the Vancouver-Howe Sound subdivision rose from 347,665 to 475,257 and of the Lower Fraser Valley subdivision from 101,711 to 166,387.

SALARIES TREND UPWARD: For the past ten years there has been a marked upward trend in salaries of technical personnel in Canada, it was reported by the Minister of Labour, Mr. Milton F. Gregg, on November 27.

The Minister was reviewing a report made by the Technical Personnel Division of the Labour Department describing the results of questionnaires sent to 27,000 architects, engineers, and scientists who were members of professional associations or institutes. From the replies received it was possible to ascertain the annual salary in more than 13,000 cases.

The results of the survey disclosed that annual starting salaries upon graduation had increased by about \$1,400 in the past ten years. A similar rate of increase was shown in salaries during the first fifteen years of work experience.

The report revealed that the level at which median salaries for senior men tend to flatten out had risen from \$3,600 to \$6,600 annually since 1941. The rate of progression of salary increases now averaged close to \$300 per year for the first five years or \$200 annually for the first fifteen years. This was almost double the rate of progression which generally applied in 1941.

The median figure for starting salaries of engineering and science graduates in 1951 was about \$3,000 per annum.

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OLD AGE SECURITY: More than 310,000 applications for old age security pensions have so far been received by the 10 regional offices of the federal Welfare Department, the Department of National Health and Welfare has announced.

This figure is approximately 83 per cent of the estimated total number of new applications expected. These applications are being dealt with as rapidly as possible so that applicants who can prove that they are 70 years of age or older and who can meet the residence requirements will receive their first cheque without delay toward the end of January.

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FIRST SESSION N.W.T COUNCIL: The first session of the Council of the Northwest Territories to take place in the Territories will be held December 11, 1951, at Yellowknife, N.W.T., with Major-General Hugh A. Young, Deputy Minister of Resources and Development, presiding as Commissioner. This will mark the first time that elected members from the Territories will sit on the Council. Mr. J. Aubrey Simmons, federal Member for the Yukon-Mackenzie constituency will be in Yellowknife and take part in the opening ceremonies.

GAIN IN OVERSEAS TRADE. Mainly as a result of a large expansion in the value of goods shipped to overseas countries, the aggregate value of Canada's domestic exports in October rose almost 18 per cent over the corresponding month last year. There were sharply increased shipments to the United Kingdom, Latin America, and Europe, while there was only a slight gain in exports to the United States. Exports to all countries in the first 10 months of this year were up 24 per cent in value.

The volume of domestic exports in October was more than four per cent higher than the volume in the same month of last year, which was greater than in any other month of 1950. In the 10 months of 1951 ending October the volume was more than nine per cent greater than in the corresponding period of 1950 and higher than in any similar period in the post-war years.

Exports of the majority of larger commodities moved up in value both in October and the first 10 months of the year. Chief among the gains were wheat, other grains, wheat flour, rubber, meats other than bacon and hams, pulp wood, ferro-alloys, farm implements, automobiles, nickel and zinc. Cattle and copper were among the declines.

SHIPMENTS TO THE U.S.

Shipments to the U.S. were up only slightly more than one per cent in the month as compared with a 10-month rise of 16 per cent, while exports to the United Kingdom rose 34 per cent in October and 30 per cent in the cumulative period. Shipments to Latin American countries advanced 40 per cent in October and 31 per cent in the January-October period, while exports to Europe rose 56 per cent in the month and 76 per cent in the 10-month period.

Domestic exports to all countries in October were valued at \$371,000,000 as compared with \$315,200,000 in the corresponding month last year, bringing the cumulative total for the January-October period to \$3,155,600,000 as compared with \$2,535,800,000 in the like period of 1950.

Exports to the U.S. in October were valued at \$207,132,000 as compared with \$204,436,000 in the corresponding month last year, representing 56 per cent of total shipments as against 65 per cent a year earlier. Aggregate for the 10 months was \$1,898,474,000 as against \$1,637,518,000 a year ago, accounting for 60 per cent as against 65 per cent of the total to all countries. There was a mixture of gains and losses in October among the nine main commodity groups, but the trend was generally upwards in the 10 months.

LIBRARY LIST: The following is a selected list of Canadian Government publications received in the Library of the Department of External Affairs in November:

Department of Agriculture; Prairie Farm Rehabilitation Branch: Annual report for the fiscal year ended March 31, 1951. 61 p.

Dominion Bureau of Statistics: Annual report 1950-51. 44 p. Price, 40¢.

Department of Finance. Royal Canadian Mint. Report for the calendar year 1950. 20 p.

Department of Labour: Annual Report 1951. 85 p. Price, 25¢.

Department of Mines & Technical Surveys. Mines Branch. The Canadian mineral industry in 1949. 128 p. Price, 25¢.

Department of National Revenue. Taxation Division. Taxation Statistics 1951. 143 p. Price, 50¢.

Department of Public Printing & Stationery. Annual report for the fiscal year ended March 31, 1951. 35 p. Price, 10¢.

Department of Resources and Development. Forestry Branch. Forest Products Laboratories Division. Canadian Woods: Their Properties and Uses. 367 p. illus. 2d ed. Price, \$3.00.

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WHOLESALE PRICES DOWN. General wholesale prices moved downward in October for the third successive month, according to price indexes compiled by the Bureau of Statistics. Wholesale prices of Canadian farm products also moved lower in the same period.

The general index number of wholesale prices, on the base 1935-39=100, fell to 239.6 in October from 240.1 in September, 241.5 in August and 244.2 in July. At the October level the index was the lowest since February this year when it stood at 238.5. In October last year it was 220.0. The index for Canadian farm product prices for October was 252.6 compared with 253.9 in September, 256.4 in August, and 228.5 in October last year.

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LABOUR INCOME AT NEW PEAK: Canadian labour income reached new peak levels in August and the first eight months of this year. The month's total, at \$830,000,000, was \$3,000,000 above the previous high in July, and 18.7 per cent above last year's August figure of \$699,000,000. In the eight months ending August, labour income advanced 17 per cent to \$6,236,000,000 against \$5,325,000,000 a year earlier.

Totals for all industrial groups advanced both in the month and eight months as compared with the same periods of 1950. Labour income in manufacturing totalled \$279,000,000 compared with \$232,000,000 in August, 1950, and in the eight-month period the aggregate was \$2,132,000,000 against \$1,771,000,000.

(Continued from p.1)

ST. LAWRENCE RIVER DEVELOPMENT

toric associations in the section to whatever extent may be appropriate."

Mr. Chevrier reviewed at considerable length the technical aspects of the undertaking and reiterated the advantages which he believed were to be derived from it. He summarized the Government's position as follows:

"We believe that Canada needs the St. Lawrence Seaway and power development at the earliest possible date. We believe that it is important for economic development and urgent for national defence. We believe not merely that it can pay its own way, but that the benefits to both Canada and United States will far outweigh its original cost.

"We would prefer to have full United States participation in the project under the terms of the 1941 agreement, perhaps with some modification along lines already discussed in Congress, providing the agreement is approved at an early date. We are now recommending to Parliament that, failing such approval, the All-Canadian Seaway be undertaken on the most suitable basis that can be established.

"More traffic now passes through the locks at Sault Ste. Marie in a season than passes in twelve months through the Panama, Suez, Manchester, and Kiel Canals put together. The traffic foreseen for the new canals -- and for the Welland -- will also far outrank that on any of these famous canals. The building of the Panama Canal through the Isthmus of Panama, the construction of the Suez Canal linking the Mediterranean with the Red Sea, were logical projects. They were the inevitable and the right thing to do, and would have been justified even at several times their cost. On the proposal to construct the Deep Waterway in the St. Lawrence River to link the Great Lakes to the Atlantic Ocean, the verdict must be the same."

MR. HOWE'S WASHINGTON SPEECH

The Minister of Trade and Commerce, Mr. C.D. Howe, spoke at Washington, D.C., before the annual dinner of the Washington Society of Engineers, November 28, on the subject of the construction of the Seaway. He emphasized that Canada would prefer to have United States' full participation under the terms of the 1941 agreement but, failing that, Canada, would now actively proceed to undertake the project.

Mr. Howe said that Canada had let 10 years go by waiting for the U.S. to approve the agreement "next year." Canada now needed the canal system in the development of her economy. And Canadian demands for hydro electric power were increasing at a rate that urgently required the development of the Canadian power resources that would be made available by the development of the seaway.

"We in Canada," he declared, "feel that the building of the seaway and the development of the power cannot be longer deferred."

Mr. Howe said in part:

"There is no lack of desire on the part of Canada to proceed with the joint project, and the door will be left open for participation by the U.S., should there be ratification of the 1941 agreement early in the year 1952. It will be necessary in any event that we ask the U.S. to designate an authority to develop the United States' side of the International Rapids power development. We think we have the right to expect co-operation to that extent from your Government, having in mind the long interval during which lack of ratification by the U.S. has delayed the project.

"It has seemed to me that the project to deepen the St. Lawrence River access to the Great Lakes, and to develop the hydro-electric power incidental thereto, has suffered more from the enthusiasm of its friends than from the opposition of its enemies. Too often the project has been represented as something new and revolutionary, so immense as to stagger the imagination. Too often has the picture been painted of great ocean ships travelling up the waterway to ports on the Great Lakes. Quite naturally, this enthusiasm, however sincere, arouses a good deal of skepticism from those who do not stand to benefit directly from the project, as well as an unreasonable fear on the part of those who feel that their interests would be adversely affected.

EXISTING FACILITIES OUTGROWN

"In brief, the plans now being laid are nothing more than the final stage of a development that has been going on for well over a century, with beneficial results for the peoples of both Canada and the U.S. This final stage should be undertaken now simply because we have outgrown the facilities that are in existence. The present navigational channels are no longer able to support the demands that are now being placed upon them, and are still less adequate to meet growing demands to handle new traffic presently in sight.

"As I see it, and as I think the great majority of Canadians see it, further development of the Great Lakes--St. Lawrence navigation system, far from being a visionary scheme, is a simple necessity. It is no longer something that would be nice to have, if it could be afforded. The St. Lawrence Seaway and all that goes with it in terms of added hydro-electric power and improved navigation has become something that we, the people of Canada, can no longer afford to do without...."

Mr. Howe described at length the major works that make up the project and noted that the proposed power installations in the International Rapids development total about 1,640,000 kilowatts of firm power, half for the U.S. and half for Ontario. He went on:

"A new factor to be considered at this time is the development of a great iron ore project on the Quebec-Labrador border, which will have its outlet to deep water on the Gulf of

the St. Lawrence. Some \$250,000,000 are presently being spent on this iron ore project, which includes a railroad 350 miles in length and extensive harbour construction. It is anticipated that the initial deliveries of iron ore from this project will be at the rate of 20,000,000 tons per annum. Without the deep-water development, important markets for these ores in the Great Lakes area are out of economic reach. On the other hand, Quebec-Labrador iron ore is the best possible answer to the supply problems of steel industries located on the Great Lakes....

"It is obvious that Canada is concerned with the best and largest markets for her iron ore. Surely it is also obvious that Canada, as well as the United States, is concerned that the interior steel districts have access to the best and cheapest sources of ore. Our economies have taken for granted a plentiful supply of iron and steel at comparatively low prices, and the implications of the threatened higher costs in these fields have received too little attention. The seaway promises to avert the worst of this threat. That is why I say it is literally invaluable....

"The project would make at least a five-fold contribution in a future war. It would create a reserve of power capacity in the industrial heart of the North American continent, where that reserve is presently inadequate for peacetime needs. The combination of power and navigation will stimulate a versatile industrial growth, giving greater capacity for the specialized production required in modern war, and permitting greater dispersal of that production. The seaway would permit all but the largest ocean vessels to be built a thousand miles from the sea, adding flexibility and dispersal to the programme of shipbuilding and repair. It would provide an alternative transportation route to the railways, so hard pressed in the late war. But above all, it would provide the best assurance of adequate supplies of iron ore to feed the steel furnaces of the east coast, as well as the Great Lakes...."

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AMBASSADOR TO CUBA: The Department of External Affairs announced on December 3 the appointment of Mr. H.A. Scott as Canadian Ambassador to Cuba to succeed Dr. E.H. Coleman who was recently appointed Canadian Ambassador to Brazil. Mr. Scott is expected to take up his new duties about the end of the year.

Mr. Scott has been Consul-General for Canada in San Francisco since June, 1948. Prior to his appointment to San Francisco by the Department of External Affairs he was Commercial Counsellor at the Canadian Embassy, Washington. He joined the Department of Trade and Commerce in 1924 and served successively in Liverpool, Buenos Aires, Shanghai and Washington. He was born in Toronto on January 31, 1899

STRIKE IDLENESS LESS: Time loss through work stoppages arising from industrial disputes in Canada during October, 1951, showed a marked decrease from the preceding month and was the lowest recorded since last May, according to a monthly summary of strikes and lockouts issued November 27 by the Minister of Labour, Mr. Milton F. Gregg.

Preliminary figures showed 28 strikes and lockouts in existence during October, 1951, involving 6,388 workers with a time loss of 49,318 man-working days, as compared with 31 work stoppages in September, 1951, with 8,637 workers involved and a time loss of 105,235 days. In October, 1950, there were 13,138 workers in 25 strikes and lockouts with a time loss of 30,766 days.

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STENOGRAPHERS FROM U.K.: The shortage of stenographers in Canada will be partially relieved by experienced girls from the United Kingdom, it has been announced by the Minister of Labour, Mr. M.F. Gregg. The girls were recruited through the efforts of the London, England, office of the federal Department of Labour with the co-operation of the Canadian Immigration authorities.

It was expected that about 30 girls would arrive this month to be followed by more as the need continues and the recruiting efforts prove successful.

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MANUFACTURING RECORD: The manufacturing industries of Canada in 1949 again established a new high record in gross value of production at \$12,479,593,000. This total includes for the first time the value of manufactured products for the Province of Newfoundland which amounted to \$67,264,000. Excluding Newfoundland, the increase in gross value was 4.5 per cent over the preceding year and 37 per cent over the wartime peak reached in 1944.

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27TH BRIGADE IN GERMANY: Department from Québec City on December 2 of some 650 officers and men of the 1st Canadian Highland Battalion almost completed the movement to Germany of the infantry component of 27th Canadian Brigade Group, Army Headquarters has announced. The 1st Canadian Infantry Battalion and the Rifle Battalion were already in Germany.

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RESIDENTIAL CONSTRUCTION DOWN: Residential construction continued to decline in October with starts down for the sixth successive month and completions off each month since May. The decline in starts in October was slightly more than 49%, while completions were down 14%. In the first 10 months of this year the overall drop in starts was 24%, while the completions were down slightly more than four per cent.

NUNS HELD IN COMMUNIST CHINA: The Prime Minister, Mr. St. Laurent, stated in the House of Commons on December 3 that everything possible will be done to assist the five Canadian nuns, publicly tried in Communist China on December 1 and convicted of responsibility for the deaths of children who had been receiving care in their orphanage. Two of the nuns were reported to have been convicted and sentenced to five years' imprisonment; three were ordered deported from China.

The Prime Minister said the Canadian Government had no official confirmation as yet of these reports, and proceeded in part:

"We know that the five nuns have been in a Canton prison since March of this year when they were arrested on what was considered to be the fantastic charge of being responsible for the deaths between October 14, 1949, and January 14, 1951, of over two thousand children who had been receiving care in their orphanage. Their arrests followed upon Canton newspaper stories and the demands of women's organizations that they be severely punished for the maltreatment and murder of children. It may be true that quite a large number of children have died at the orphanage, but the Chinese authorities chose to ignore the fact that the majority of the children brought to the sisters were already ailing and beyond hope of recovery when accepted by them. The sisters consistently accepted all children brought to them for help, whatever their condition was at that time, and no matter what were their chances for survival.

NO OFFICIAL REPORT

"As I have already said, no official report regarding the trial of the five nuns has yet been received in Canada, and it is possible that it may be difficult to secure any accurate and reliable information about the so-called trials. I can assure the House that everything possible will be done to help these unfortunate sisters without bringing more harm on them or other Canadians who are being detained by the Chinese Communists at this time. I think that the order of expulsion may be perhaps the most happy denouement, and it would be unfortunate if anything we said or did brought about, as has happened in the past, revocation of the order of expulsion, or the placing of difficulties in the quitting of the country.

"The House will be shocked and indignant at the treatment which has apparently been meted out to a group of missionaries who for years have consecrated their lives to the care of orphan children in China; but it will be at the same time sensitive to the extreme delicacy of the situation and the necessity of avoiding

any act or word which may add to their present distress. Within the next few days we hope to have more definite information on the whereabouts of the three nuns whose expulsion has been ordered, and on the situation of the two who have been sentenced to terms of imprisonment. We are hopeful that we may, through the British authorities in Hong Kong, be able to get information from and about these nuns, because we presume that they would go through Hong Kong on their way out of the country...."

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CRUDE PETROLEUM UP 27 P.C.: Receipts of crude petroleum at Canadian refineries rose 27% in August from the same month last year, and were 22% higher in the first eight months of this year. Total for the month was 12,985,597 barrels as compared with 10,212,429 in August last year, while the eight-month total amounted to 84,373,427 barrels against 68,660,071 in 1950.

Domestic crude receipts moved sharply higher both in August and the cumulative period. Total for the month rose to 5,627,821 barrels from 2,259,656 a year ago, and in the eight-month period there was a gain to 29,056,656 barrels from 16,984,192. August supplies of imported crude fell to 7,357,776 barrels from 7,952,773, but there was a rise in the eight months to 55,316,771 barrels from 51,675,879.

The month's output of refined petroleum products totalled 12,163,198 barrels, 30% above the 9,369,213 barrels produced in August last year. This brought the eight-month total to 76,656,086 barrels from 64,846,212 in 1950, a gain of 18%.

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FOREST PRODUCTION: Volume and value of Canada's forest production in 1949 fell slightly from the all-time peaks established in the preceding year. Final estimates by the Bureau of Statistics show a cut of 3,140,137,000 cubic feet of merchantable timber valued at \$561,412,000 as compared with 3,198,179,000 cubic feet at \$586,295,000 in 1948. Preliminary figures for 1950 indicate an increase in volume to 3,322,740,000 cubic feet.

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AWARDS FOR BRAVERY: Courage beyond the call of duty in action in Korea has resulted in the immediate awards of one Distinguished Conduct Medal and six Military Medals to members of the 25th Canadian Infantry Brigade, Army Headquarters has announced. Three of the MMs were won by members of the Royal 22e Regiment, the first awards for gallantry won by that unit since its arrival in Korea.



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WEEK'S EVENTS IN REVIEW

PREVENTION OF WAR OUR AIM: It may be that in the next few years nothing will be so important as to remember that we are trying to prevent a third world war, not to win one, the Prime Minister, Mr. Louis S. St. Laurent, said in an address to the Economic Club of New York on November 19. He spoke on, "North America's Place In The World Of Today."

The Prime Minister was warning Americans and Canadians against concluding that, insofar as totalitarian Communism might be deemed to be bent on extinguishing our free way of life, we should hit first before we are hit.

An excerpt from his speech follows:

"While we might sometimes differ about tactics, the rest of the free nations cannot quarrel with the strategy of American leadership.

"The importance of North America in the world today is not something which is transitory. It represents a permanent shift in the real balance of power in the world, something which may be expected to last for many generations, provided the leadership of North American statesmen and the resolution of our North American population is equal to the power which is now ours.

"And though I have said North American, and though we like and expect to be consulted, we Canadians are realistic and we know that there

has to be a proper relationship between power and responsibility; and that the United States alone has the necessary power to support the required leadership.

"The American people have certainly not striven for their present position of power and responsibility in the world. I am sure most of you and, indeed, most North Americans on both sides of the border look back often with longing to the days before 1914 when it seemed safe to ignore international affairs outside this hemisphere.

"But we in North America have no such choice. The only choice before you and before us is a choice between wise, patient and intelligent leadership of the free world by the United States or a rapid shrinkage of the circumference of the free world, with all the disastrous consequences that it would bring even if we were able to maintain some kind of independent existence in our western hemisphere.

"In the kind of world we are now living in there is no quick and easy way to peace or to anything we would like to think of as a normal existence. We have first of all to create, and after that to maintain, perhaps for generations, military strength which will be too substantial to be challenged by any potential aggressor with any hope of final victory.

COBALT 60 BEAM THERAPY UNIT: Canada's atomic energy programme is bringing closer the day when atomic power will find many new and unimagined applications of benefit to mankind, said the Minister of Trade and Commerce, Mr. C.D. Howe, in his capacity as Chairman of the Privy Council Committee on Scientific and Industrial Research, in a speech at the installation of the first Cobalt 60 Beam Therapy Unit in the Victoria Hospital, London, Ontario, November 12.

The following are excerpts from the Minister's address:

"This event is the culmination of a vast amount of work on the part of many of the best scientific minds in Canada. It represents the successful attainment of an instrument which will bring a better kind of radiotherapy to a great number of persons afflicted with deep-seated cancers.

"From a longer range viewpoint, however, this occasion is not the culmination of anything. It is merely a milestone of progress in two different fields, the application of atomic energy for the benefit of mankind and the National Health programme.

FEDERAL INTEREST

"The direct interest of the federal Government in these two fields is comparatively recent. As a National Government we became active in the field of atomic research during the recent war. We became actively interested in cancer control when the National Health programme was inaugurated about five years ago.

"In these days when the chief interest in radioactivity centres upon atomic explosions and the possibilities of controlled nuclear energy, it is wise to recall that the first use of radioactivity was to treat cancer. Until World War II that was, in fact, the principal use for radium. For many years, the principal commercial product obtained from the pitchblende at Great Bear Lake and in the Belgian Congo was radium. It was only when uranium became the fuel for atomic reactors, in the course of the Second Great War, that uranium replaced radium in the priority of our interest in radioactive materials.

"Canada entered into a partnership of atomic energy with Great Britain and the United States early in the war. Our part was to make available the raw material which we alone, of the partnership, possessed in any abundant degree. Our part was, as well, to share the responsibility for research.

"Our policy was two-fold: to launch an atomic energy research programme, first by the construction of a small pilot reactor and subsequently the larger pile which has been in operation for the past four years at Chalk River, and secondly, to take over the Eldorado mine and its refinery and to operate both as government owned projects.

"The aim of that wartime partnership was to evolve atomic weapons, and that purpose was

fulfilled, with fateful consequences to the future of warfare and to the future of mankind. Canada, however, has had nothing to do directly with the development of atomic weapons since the war ended. We brought our Chalk River pile into operation soon after the war, and in it we have an atomic plant that possesses the unique feature of producing a very high flux of neutrons. The Canadian atomic pile is unequalled in the production of high specific activity isotopes....

"The atomic energy research establishment at Chalk River has been continued and developed in an effort to further the peaceful applications of atomic energy. It has made substantial contributions to that end. The production of isotopes which have been of great importance in metallurgy, in agriculture, and in biological research, is one outcome of that effort. Cobalt 60 is but one of the dividends that the Canadian people - and mankind generally - are receiving from the investment in our atomic energy programme. That programme is bringing closer the day when atomic power will find many new and unimagined, yet practical, applications that will benefit mankind and elevate the living standards of our people...."

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NEED FOR 20,000 NEW APPRENTICES: Shortage of skilled manpower reserves, national registration and manpower for agriculture stood out as the three most important subjects discussed by the National Advisory Council on Manpower at a one day meeting held in Ottawa November 16. It was unanimously agreed that the one serious weakness in the present Canadian manpower picture was the shortage of skilled workers, and the Council whole-heartedly endorsed a proposal that immediate steps should be taken to increase to 50,000 the number of apprentices in training from the present figure of 30,000.

It was also decided that the development of plans for National Registration should continue so that if and when the Government decided Registration was necessary, it could be carried out without delay. At the second meeting of the Council in May, it was recommended to the Minister of Labour that National Registration was not necessary at that time but that as much preparatory work as possible should be carried forward in order that a general registration could be held on short notice if an emergency made it necessary.

A full report of the extensive planning and preparatory work carried out to date was made to the November 16 meeting. An inter-departmental committee on National Registration had been established and preparatory work had gone forward after an extensive study had been given to registration in Canada and other countries including the United Kingdom, the United States and Australia which are currently maintaining a form of registration.

PRAIRIE PROVINCES' POPULATION: Aggregate population of the three Prairie Provinces rose 115,641 or about five per cent in the last ten years, showing an increase of 174,605 or seven per cent since the 1946 Prairie Census, as against a wartime decrease of 58,964 or 2.5 per cent between 1941 and 1946. Combined population of the three provinces in 1951 was 2,537,546 as compared with 2,362,941 in 1946 and 2,421,905 in 1941.

Main growth took place in Alberta where the population rose nearly 18 per cent from 796,169 in 1941 to 936,556 in 1951. The numerical increase was 140,387, almost all of which took place in the last five years. The 1946 population of Alberta was 803,330, the rise from 1941 amounting to only 7,161. From 1946 to 1951 the gain was 133,226.

Manitoba's population increased 42,071 or six per cent from 729,744 in 1941 to 771,815 in 1951. All of the increase took place since 1946 when the population was 726,923. The drop between 1941 and 1946 was 2,821, while the gain since 1946 was 44,892.

Population of Saskatchewan showed a decrease of 66,817 or approximately eight per cent from 895,992 in 1941 to 829,175 in 1951. The decline was almost wholly concentrated in the wartime period, the 1946 population of the province standing at 832,688. The 1941-46 drop was 63,304, while since 1946 the decline was limited to 3,513.

Alberta -- now Canada's fourth largest province in population size -- had an increase in population between 1931 and 1941 of 64,564, and a rise of 143,151 between 1921 and 1931. Sharpest ten-year gain in Alberta's history was 301,273 between 1901 and 1911.

Manitoba's numerical increase between 1931 and 1941 was 29,605, and 90,021 between 1921 and 1931. Largest ten-year increase of 206,183 occurred between 1901 and 1911.

The drop in Saskatchewan's population between 1941 and 1951 followed a 1931-1941 decline of 25,793. Up to 1931, when the population of the Province had reached a peak of 921,785, this Province had shown the largest numerical rise in population of the three Provinces.

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OCTOBER TRADE: A summary of foreign trade figures for October released by the Bureau of Statistics shows a rise in the value of Canada's total domestic exports to \$371,000,000 from \$315,200,000 in October, 1950, and an increase in estimated total imports to \$344,600,000 from \$320,600,000.

Domestic exports to the United States rose to \$207,100,000 as against \$204,400,000, and to the United Kingdom advanced to \$64,000,000 from \$47,700,000. Estimated imports from the United States amounted to \$239,300,000 as compared with \$208,300,000, and from the United Kingdom totalled \$32,600,000 compared with \$41,700,000.

HOST TO INTERNATIONAL RED CROSS: The Department of External Affairs announced on November 22 that Canada had been selected by the Standing Commission of the International Red Cross Conference as host country to the XVIIIth International Red Cross Conference. The Conference will be held in Toronto from July 23 to August 9, 1952.

The Conference, which normally convenes every four years, includes 69 Red Cross and Red Crescent Societies, the League of Red Cross Societies and the International Committee of the Red Cross. It also includes governmental representatives from the 72 nations signatory to one or more of the Geneva Conventions, which form the body of International Law dealing with the humane treatment of the sick and wounded of the armed forces, prisoners of war, and, more latterly, of civilian persons in enemy-occupied countries.

This is the first time that the Conference has been convened in Canada, and it has not met in the Western Hemisphere since the Washington Conference of 1912.

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VISUALIZES SELF-SUFFICIENCY IN OIL: Speaking to the Stormont Holstein Breeders Club on November 21 on the development of Alberta's oil resources, the Minister of Transport, Mr. Lionel Chevrier, expressed the hope "that the day of Canadian self-sufficiency in petroleum may not be far distant."

The 1,127 mile pipeline from Edmonton to Lake Superior and the 662 mile lake travel by a fleet of tankers to the refineries at Sarnia would provide Eastern Canadian refineries with 13 million barrels of oil this year in addition to meeting the requirements of the prairie refineries.

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LAUNCH HMCS ST. LAURENT NOV. 30: HMCS St. Laurent, the first of Canada's new anti-submarine destroyer escorts, will be launched at Canadian Vickers Ltd., Montreal, November 30, Naval Headquarters has announced.

Her Excellency The Viscountess Alexander of Tunis will act as sponsor at the ceremony, and will christen the ship in time-honoured fashion. The St. Laurent will be the first to be launched of 14 destroyer escorts now on order with Canadian shipyards, and the second Canadian vessel to bear her name.

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MANUFACTURING WAGES RECORD: Average hourly earnings of wage-earners employed in manufacturing industries showed a slight increase in the week ending September 1 as compared with a month earlier, while average hours worked increased fractionally. As a result, average weekly earnings climbed over the \$50-mark for the first time since these data have been collected by the Bureau of Statistics.

PREVENTION OF WAR OUR AIM

"We cannot count on any early collapse of the totalitarian system erected behind the Iron Curtain. We are faced with the problem of living in the same world with that system for many years to come.

"I am not sure that one of the greatest dangers we shall face in the next few years will not be the danger of listening to those who think they have a quick and easy solution to this terribly difficult problem.

"There may be many who will say that totalitarian Communism is bent on extinguishing our free way of life, and that we should hit first before we are hit, that the best thing to do is to get the inevitable over with.

"The appeal of that kind of doctrine is likely to grow as the military strength of the free world grows. In the next few years, it may be that nothing will be so important as to remember that what we are doing is to try to prevent a third world war, not to win one....

"I have not the slightest doubt and I am sure you have no doubt that, if a test of strength is forced upon us by an aggressor, we in the free world could win again. But the cost will be far greater than the cost of any previous war. Even victory will bring with it destruction, dislocation and desolation so great as to constitute a threat to civilization itself.

"That is why we must never forget that our real aim is to be strong in order to prevent war...."

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HIS EXCELLENCY SPEAKS IN NEW YORK: "The greatest political achievements of the English speaking world cannot be found in any formal institution; they are rather in the spirit which underlies them all," said His Excellency the Governor-General, Viscount Alexander, in addressing the English Speaking Union in New York on November 28.

"There are probably no two neighbouring countries in the world living in closer harmony than yours and mine - Canada and the U.S.A., and yet their formal association is not spelled out in much detail. Their association is formalized only to the extent that both are North Atlantic Treaty partners. But the real bond between the two lines is a community of ideals."

Today, he said, the Commonwealth provided a bridge between the democratic states of the West and of Asia. The development in the Indian sub-continent during the last few years, with the full emergence of India, Pakistan and Ceylon to statehood, was one of the fundamental changes in the Commonwealth, which was not static and not easy to define.

His Excellency outlined the Commonwealth's Colombo Plan envisaging the spending of five billion dollars over a six year period on a wide range of development projects. It was reminiscent of the Marshall Plan, an act of

"high statesmanship" which had meant food, help and even liberation to millions of hard pressed people.

An excerpt from His Excellency's speech follows:

"The community of English speaking peoples has, within the last decade, found within itself enough political vision, enough economic strength to offer such statesmanship acts as the Marshall Plan and to accept India, Pakistan and Ceylon into the family of free nations.

"We live in an era of rapid and momentous developments. We can, however, hope that the contribution of the English speaking world to the solution of the problems with which humanity is faced, will continue to be the giving of the sort of leadership which will be of benefit, not only to the United States and the Commonwealth, but to all mankind.

"The English Speaking Union was founded to make the English speaking peoples better known to each other. That, to my mind, is the whole crux of the problem. If we don't know each other and fail to express freely and frankly our own views and feelings, we will create a gap between us which will be of our own making...."

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NEW PHASE IN NAVAL SHIPBUILDING: The launching of HMCS St. Laurent on November 30 at Canadian Vickers, Ltd., Montreal, will mark the beginning of a new phase in Canadian naval shipbuilding.

The St. Laurent is the prototype of the first warship to be designed specifically to combat the modern fast submarine. It is, moreover, the first warship to be completely designed and built in Canada.

Her armament includes two of the new, rapid fire American 3-inch 50 calibre guns. Torpedo tubes and additional anti-aircraft guns will also be fitted. Her anti-submarine weapons, still on the "secret" list, will be of the latest types.

Electronically, she will contain a maze of radio, radar and asdic equipment, carrying more of that type of gear than the average cruiser of ten years ago. The installed electrical capacity is three times that of the tribal class destroyer, the largest warship previously built in Canada.

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NEWFOUNDLAND ELECTION: Tabulation of votes in the Newfoundland provincial election of November 26 has been delayed by weather conditions, but incomplete returns indicated the return of the Liberal Government under Premier Joseph R. Smallwood with increased strength in the 28-seat Legislature. At midnight, November 27, the count showed the Smallwood Government to have captured 11 seats and to be leading in four others. The trend seemed to follow the pattern of Newfoundland's first general election as a Province of Canada in May, 1949.

QUEBEC POPULATION RISE 20.4 P.C.: Population of Quebec climbed 678,353 or 20.4 per cent from 3,331,882 in 1941 to 4,010,235 in 1951, according to preliminary census totals released by the Bureau of Statistics. In 1931 the population of the Province was 2,874,662, and in 1921 it was 2,360,510.

The numerical increase between 1941 and 1951 was the largest ten-year gain in the 100 years of decennial census records since 1851. It compares with the previous largest increases of 457,220 in the 1931-1941 period, 514,152 between 1921 and 1931, and 354,734 in the decade between 1911 and 1921. Proportionately, the 1951 increase was exceeded by the gains of 21.8 per cent in 1931, 21.6 in 1911, and 24.9 per cent in 1861.

The preliminary totals show population gains in all but two of Quebec's 66 counties. By far the largest numerical increase of 195,238 was recorded in Montreal and Jesus Islands where about one-third of the total population of the Province is concentrated. Other large county increases, generally reflecting industrial expansion and development, were as follows: Quebec, 46,894; Chicoutimi, 36,344; Chambly, 44,664; Hull, 20,653; Terrebonne, 20,186; Abitibi, 19,189; Lac St. Jean, 17,208; Champlain, 17,014; Drummond, 16,450; Sherbrooke, 14,697; Temiscamingue, 14,147; St. Maurice, 12,828; Saguenay, 11,932; Shefford, 10,048.

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GRATUITIES FOR KOREAN VETERANS: War service gratuities commensurate with those paid Canadian servicemen during the Second World War will be paid Canadian troops for service in the Far East, Army Headquarters announced on November 24.

A gratuity of 50 cents per day for each day of paid service in the Far Eastern theatre, plus a supplementary grant of one week's pay and allowances for every 183 days overseas, have been authorized.

For example, a first class private, married, serving in the Far East will receive a gratuity of approximately \$275 for each year he is overseas. An unmarried sergeant will receive approximately \$250, and a married captain approximately \$340.

A soldier will be deemed to be eligible for gratuities if he has spent any time at all with United Nations' forces in the Far East "helping restore peace in the Republic of Korea."

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ONTARIO POPULATION RISE: Showing a growth of more than 20% in the last ten years, Ontario's population increased by 774,699 from 3,787,655 in 1941 to 4,562,354 in June this year, according to preliminary census totals for the Province released by the Bureau of Statistics.

Numerically, the increase was more than double the gain of 355,972 in the decade from 1931 to 1941 and over one and a half times the previous largest increase of 498,021 between 1921 and 1931. Proportionately, the increase since 1941 is exceeded in recorded census totals only by the rise of 46.6% from 1851 to 1861 when the population climbed 444,087 from 952,004 to 1,396,091.

The preliminary totals show population gains in all but five of Ontario's 54 counties and districts.

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CANADA-U.S. TRAVEL: Travel between Canada and the United States by plane, rail, and boat increased in August and the first eight months of this year as compared with the corresponding month last year, advances being recorded in both the number of foreign travellers entering Canada and Canadian travellers returning home. Foreign entries by bus were also more numerous in August but there was a slight drop in returning Canadians, while cumulative totals were lower for foreign entries and higher for returning Canadian travellers.

Visitors from the United States who came to Canada by rail in August numbered 72,662 as compared with 47,617, bus 82,599 compared with 81,840, boat 87,917 compared with 63,331, and plane 21,230 compared with 20,424. Canadians returning home by rail totalled 59,096 against 48,996, bus 81,411 against 82,345, boat 12,413 against 11,855, and plane 12,228 against 10,635.

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ONTARIO ELECTION: The Ontario Progressive Conservative Party, led by Premier Leslie Frost, won a sweeping victory in the provincial election of November 22, returning to power with 79 seats in the 90-seat Legislature, as compared to its holding of 53 seats at dissolution. The Opposition will consist of eight Liberals - including one Liberal-Labour member - two members of the C.C.F. Party, and one Labour-Progressive member.

The standing at dissolution was: Progressive Conservative 53; Liberal 13; C.C.F. 21; Liberal-Labour one; Labour-Progressive two.

* * * *

FOREIGN VEHICLE ENTRY RECORD: Foreign vehicles entering Canada on traveller's vehicle permits in October totalled 147,558 -- a new record for the month -- as compared with 143,124 in the same month last year, a gain of three per cent. In the first 10 months of the year, 2,089,497 vehicles entered Canada, nine per cent above last year's corresponding total of 1,921,947. Entries were higher in all areas in the month except Saskatchewan, Alberta and the combined total for Newfoundland and Nova Scotia, while in the 10 months there were gains in all regions.

ACCUMULATED BUDGETARY SURPLUS \$604.7 MILLION

OCTOBER STATEMENT: Government revenues for the month of October exceeded expenditures by \$91.5 million, bringing the accumulated budgetary surplus to \$604.7 million for the seven months ended October 31, 1951, it was announced on November 24 by the Acting Minister of Finance, Mr. Stuart S. Carson, concurrently with the release of the Comptroller of the Treasury's statement of revenues and expenditures for October.

"Revenues collected in the month of October totalled \$354.6 million compared with \$253.6 million in October 1950. For the first seven months, revenues totalled \$2,159.9 million compared with \$1,535.1 million in the same period of the previous fiscal year, an increase of \$624.8 million," said the statement.

"Income tax payments by individuals for the first seven months of the fiscal year were \$187.2 million higher at \$561.9 million due in part to higher levels of personal income and in part to the defence surcharge imposed in the April 1951 budget. Corporation tax receipts for the seven month period totalled \$612.8 million being \$241.2 million greater than in the same period of the previous fiscal year.

"This increase was due to higher corporate earnings in 1950 and 1951 and to the increased rate of taxation imposed in the September 1950 and April 1951 budgets. Custom import duties in the same period increased by \$59.0 million to \$206.9 million again reflecting the continuing high level of imports. Excise tax collections were \$174.4 million greater at \$501.7 million due to increased consumer expenditures and the increased tax rates imposed in the 1951 budget.

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AID FOR ITALY: The Prime Minister, Mr. St. Laurent, announced in the House of Commons on November 27 the provision of two aircraft to fly Red Cross supplies to flood-sufferers in the Po Valley in Italy. He said:

"Perhaps hon. members will have noticed in the news this morning that the Canadian Red Cross Society in addition to supplies from a stock pile in Geneva is contributing \$15,000 worth of supplies from Canada. These supplies are taking the form of blankets, woollen underwear, shoes, powdered milk and medicines. The society has approached the Government with the request that we facilitate the transport of this material to Europe.

"I am glad to inform the House that the Government has today placed at the disposal of the Canadian Red Cross Society two North Star aircraft. These aircraft will deliver the material to some airport in Europe which has not yet been designated. Through arrangements made by the Secretary of State for External Affairs (Mr. Pearson) and the Minister of

"Expenditures of the Government for the month of October totalled \$263.1 million compared with \$186.4 million in October 1950. The increase of \$76.7 million was due mainly to an increase of \$62.1 million in expenditures of the Department of National Defence.

"Expenditures of the Department of National Defence totalled \$160.7 million in the month of October and \$559.0 million in the first seven months of the fiscal year. This compares with total appropriations for this Department of \$1,614 million for the current fiscal year. Expenditures of the Department of Defence Production, for which there was no comparable item last year, totalled \$15.7 million for the seven month period, compared with total appropriations voted by Parliament of \$115 million for the fiscal year.

"Mr. Garson drew attention to the fact that while total defence expenditures are continuing to increase, being \$104.7 for October, compared with a monthly average of \$60.5 million in the first quarter of the fiscal year and \$96 million in the second quarter, they do not as yet fully reflect the accelerated defence programme approved by Parliament.

"Non-defence expenditures amounted to \$980.5 million for the first seven months of the current fiscal year or \$37.7 million greater than in the corresponding period of the previous fiscal year. This increase was due largely to increases of \$7.2 million in provincial subsidies and tax rental payments, \$6.3 million in family allowance payments, \$2.8 million in the Government's contribution to the Unemployment Insurance Fund, \$3.6 million in payments of Old Age Pensions and pensions to blind persons and \$4.2 million in general health grants to provinces...."

National Defence (Mr. Claxton), both of whom are in Rome attending the meeting of the North Atlantic Council, the Supreme Headquarters Allied Powers in Europe have undertaken to deliver the material from whatever airport is selected to the actual scene of the disaster.

"I know that the House will be unanimous in its appreciation of the expeditious manner in which the Canadian Red Cross is contributing to the relief of the very considerable suffering which, from all reports, is being endured by the people who have been made homeless in the Po Valley area. I am sure also that the House will fully approve the decision to help the Red Cross in getting these supplies to the scene of the tragedy by the quickest possible means."

Mr. George A. Drew, Opposition Leader, expressing approval, said he felt sure this gesture "will give these people heart at a time when they must be suffering in spirit as well as physically."



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WEEK'S EVENTS IN REVIEW

POLICY STATEMENT AT UN ASSEMBLY: If the tragic split between the Great Powers persists and grows deeper and more dangerous, then the United Nations, as formed in San Francisco may disappear, and the risk of devastating war become immeasurably greater, the Secretary of State for External Affairs, Mr. L.B. Pearson, said at the plenary session of the United Nations General Assembly on November 12.

To the prevention of that final catastrophe he hoped the Assembly would make an effective contribution; to that end the Canadian Delegation pledged its best effort.

The United Nations, he said, remained our last, best hope for peace but the emphasis was shifting from best to last. But even its valuable work in the social, economic and humanitarian fields was often frustrated by political factors, and also held back by the fact that one great group of powers had refused to participate in a single one of the technical and specialized agencies created for such purposes.

Mr. Pearson stressed the achievement of the United Nations in Korea. The aggressor had been held and driven back. For that accomplishment special tribute should be paid to the United States, with whom Canada had relations based on friendship, confidence and mutual respect.

He said the work of the Collective Measures Committee, created to study how collective action could most effectively be organized against an aggressor in the future, would constitute one of the most important items for consideration at the present session. The result might go far to show whether the Assembly will be able to use its authority more effectively against threats to peace than the Security Council had recently been able to do.

"If a powerful group in the Assembly opposes this development," he said "and if others stand aloof, then the United Nations may become little more than a forum for the expression of world opinion, and an instrument for the conciliation and negotiation of disputes, if any, which do not involve any major power. These are important functions. But if they are the only things we can do, then the whole character of our world organization is changed from the concept of San Francisco, and collective security on a universal basis becomes a distant dream. As it disappears, we will be forced to rely more and more, as a second best, on more limited and regional arrangements to protect the peace.

"Such a possibility, I suggest, must certainly be faced. There is no point in deceiving ourselves. The United Nations has great achievements to its credit, and will have

NEW CANCER THERAPY UNIT: The latest and most powerful therapy unit for cancer treatment, the "Cobalt Bomb", is now installed in the Victoria Hospital in London, Ont., where it was officially dedicated on November 12 by the Chairman of the Privy Council Committee on Scientific and Industrial Research, Mr. C. D. Howe.

The necessary radiation safety, radiation output, and dosage tests were done at the Radiology Laboratory of the National Research Council in Ottawa. These measurements required several weeks' careful work by a team of scientists and technicians to determine the kind and thickness of walls needed to protect the personnel operating the equipment.

The radioactive material used in the "bomb" is Cobalt-60, an isotope produced at NRC's atomic pile at Chalk River. Cobalt-60 emits gamma rays, which are useful in the fight against cancer. At the end of any five-and-a-half year period, half of the Cobalt-60 present at the beginning will have become nickel -- plain, ordinary nickel, without any radioactivity. But it only takes about a year in the Chalk River pile to convert ordinary cobalt (Cobalt-59) into radioactive cobalt (Cobalt-60). In any other pile known this process would take much longer.

The Cobalt-60 unit costs about \$50,000 as compared with \$150,000 for a two-million volt X-ray machine which emits about equal energy.

Canada's present atomic energy pile has the highest neutron flux of any known reactor.

Parliament recently authorized the construction of a new atomic energy pile at Chalk River which will be even more powerful than the present installation. When this new unit is completed, production of strong cobalt sources and other radioisotopes will be speeded up and the output increased accordingly

* * * *

NO SERIOUS LABOUR SHORTAGE: No serious overall shortage in manpower had yet developed, or would likely develop in the next six months, although skilled labour demands were not being entirely met in some localities and in some industries - this was the picture indicated by reports heard by the National Advisory Council on Manpower as its third meeting opened in Ottawa, the Department of Labour announced November 15.

Indications that the Council would be less concerned with problems arising out of overall shortages than with problems resulting from partial redistribution of existing manpower reserves and the development of the skilled labour force were given by the Minister of Labour, Mr. Milton F. Gregg, in his welcoming remarks to the delegates.

Mr. Gregg told the Council that its recommendations had guided the Government on the several questions which it had already examined, in particular the expansion of Vocational

Training to bring about a larger pool of skilled labour. He pointed out that the present situation as it applied to the dovetailing of civilian and defence demands might last for many years. If this were the case it would be well to consider further development of apprenticeship training which was one of the best ways of increasing the skilled labour force and our production potential.

* * * *

THREE MINISTERS DELEGATES TO NATO: The Department of External Affairs announced on November 15 that the Canadian Delegation to the meeting of the North Atlantic Council, which is to open in Rome on November 24, will consist of Mr. Pearson, Secretary of State for External Affairs, Mr. Claxton, Minister of National Defence and Mr. Abbott, Minister of Finance.

They will be accompanied by advisers from the Departments of External Affairs, National Defence and Finance, including Mr. Arnold Heeney, Under-Secretary of State for External Affairs, Mr. L. D. Wilgress, Canadian High Commissioner in the United Kingdom; Mr. Jean Désy, Canadian Ambassador in Rome; Lieutenant-General Charles Foulkes, Chairman, Chiefs of Staff Committee; Air Vice Marshal H. L. Campbell, Canadian Joint Staff, Washington; Major-General J. D. B. Smith, Canadian Joint Staff, London; Mr. J. J. Deutsch of the Department of Finance, and Mr. J. F. Parkinson, Canadian Representative to O. E. E. C., Paris.

Members of the Delegation proceeding from Ottawa left by R. C. A. F. aircraft on November 16.

* * * *

CENTURION TANK FOR 27TH: Army Headquarters announced on November 18 that the armoured squadron of the 27th Canadian Infantry Brigade Group which is to form part of the Integrated Force under General Eisenhower, will be equipped with the British Centurion tank.

The Centurion is a heavily armoured medium tank equipped with the most modern armament. It has a powerful engine which enables it to travel at good speed on roads and across country.

The decision was taken to adopt the Centurion as the best tank available at this time with which to equip this force.

* * * *

PAYROLLS AT PEAK: Industrial employment, payrolls and average weekly wages and salaries rose to all-time peaks at September 1. The general index number of employment, on the base 1939=100, stood at 185.0 as compared with 184.3 at August 1, and 174.1 on September 1 last year, and the payrolls index was 399.1 against 394.0 at the beginning of August, and 328.0 at September 1, 1950. Average weekly earnings amounted to \$50.61, an increase of 45 cents from August, and \$6.44 above a year ago.

MR. HOWE ON U. K. TRADE RESTRICTIONS

NO MAJOR DISLOCATION FOR CANADA: The new British trade restrictions are not likely to involve any major dislocation in Canadian trade, the Minister of Trade and Commerce, Mr. C.D. Howe, said in an address at the opening of the Royal Agricultural Winter Fair in Toronto on November 13.

Mr. Howe analyzed the present make-up of U.K.-Canada trade, commenting that U.K. purchases comprised, for the most part, essential goods which, in any case, would find a ready market in Canada and elsewhere.

"As for Canada," he said, "it has been our consistent policy to encourage imports from the United Kingdom and the sterling area. That will continue to be our policy. We recognize that Britain can only spend as many dollars as she earns. We would welcome greater diversification of our foreign trade. We would like to see more British goods sold in Canada and more Canadian goods sold in Britain...."

PARTIAL TEXT OF SPEECH

Mr. Howe spoke, in part, as follows:

"During the past few days we have all been trying to assess the effects of the new restrictions on imports into the United Kingdom, which were announced by the Chancellor of the Exchequer last week. It will be some time yet before we can measure, with any precision, the impact on Canada.

"Nevertheless, even at this point, I should like to make two general comments: first, I think it can be said that these new restrictions, however regrettable they may be, are not likely to involve any major dislocation in Canadian trade; second, I do not think that the application of these new restrictions is necessarily a cause for pessimism about the future of the sterling market for Canadian goods.

"Ever since the end of the war the United Kingdom and the sterling area have been economizing in the use of their relatively scarce supplies of dollars. This has already resulted in restrictions on imports designed to keep out what were regarded as relatively less essential goods and to concentrate dollar spending on the remainder. Consequently, exports from Canada to the sterling area now consist to a very large extent of goods that have a high priority....

"An examination of the present make-up of United Kingdom purchases shows that wheat, flour, lumber, newsprint, woodpulp, and primary metals and minerals constitute about 85 per cent of total exports to the United Kingdom

Moreover, the remaining 15 per cent is comprised for the most part of items which, though small in dollar volume, are nonetheless essential goods which could not be readily obtained elsewhere.

"With respect to our trade with other sterling countries, a somewhat larger proportion of Canada's exports are comprised of manufactured items. For these products Canada's market in the sterling area is conceivably more vulnerable. However, in view of the reductions already made in our sales to sterling area countries, there is a definite limit to the amount of further trimming which could be done without damage to the economies of these countries.

"Nor should it be overlooked that there is a ready market in Canada and elsewhere, for a very high proportion, if not all, the goods that are presently being supplied to the United Kingdom. Hence, if cuts are unavoidable, they come at a time when they are likely to cause a minimum of dislocation....

"I cannot avoid the conclusion that restrictions on imports of the kind announced by the Chancellor can only be a stop-gap to arrest the serious decline in reserves, and that, in one way or another, trade must and will be re-established on a more tolerable level....

DEPENDENCE ON U. S.

"Some people have expressed concern that Canada is becoming too dependent upon the United States market, that we are putting too many eggs in one basket. Personally, I do not share that concern. But let me make it perfectly clear that the Canadian Government never misses an opportunity to promote trade with any part of the free world....

"That there has been a shift in trade towards the U.S. simply reflects the fact that the U.S. market offers better opportunities for the sale of Canadian goods than any other market. To neglect opportunities to sell in the U.S. would be the worst kind of folly.

"As I see it, the best course for Canada to pursue is to keep 'plugging away' at the expansionist approach to trade problems. On the one side this means a willingness on Canada's part to accept increased imports and to avoid unnecessary import restrictions. On the other side, it involves a constant vigilance to ensure that other countries live up to their obligations to abide by the rules of the game which we have accepted...."

WHEAT ESTIMATE LOWER: Near-record crops of wheat, barley, hay and clover, alfalfa and sugar beets are either in prospect or already realized, and new records are still indicated for mixed grains and soybeans, according to the November estimate of this year's production of grain, oilseed, forage and root crops by the Bureau of Statistics. Production of potatoes and some of the minor field crops, on the other hand, is smaller than usual.

Canada's 1951 wheat crop is now estimated at 562,000,000 bushels, down moderately from the September estimate of 579,000,000 bushels. The current estimate is slightly more than 100,000,000 bushels greater than the 1950 outturn and second only to the record 567,000,000 bushels harvested in 1928. In the Prairie Provinces the crop is placed at 531,000,000 bushels as against 427,000,000 last year and the record 545,000,000 in 1928. Included in the western wheat crop is a small proportion of wheat grown chiefly in Alberta. The 1951 production of wheat in the rest of Canada is placed at 31,000,000 bushels, Ontario's outturn accounting for 26,500,000 (of which 25,500,000 is winter wheat).

Extremely unfavourable weather conditions have prevailed throughout practically the entire normal harvesting period in Western Canada, the Bureau points out. As a result, a substantial proportion of Alberta grain crops, and to a smaller extent those in Saskatchewan and Manitoba, will likely remain in the fields until next spring. On the basis of harvesting results up to October 31, however, earlier estimates of this year's western grain crop have undergone only comparatively minor changes.

* * * *

NEW BRUNSWICK POPULATION UP: Population of New Brunswick rose 54,785 in the ten years from 1941 to 1951, reaching 512,186 as compared with 457,401, a gain of 12%, according to preliminary census total for the Province released by the Bureau of Statistics.

The numerical increase in New Brunswick during the last ten years compares with a gain of 49,182 from 1931 to 1941, when the proportionate increase was also 12%. Increases have been recorded for New Brunswick at every Census since Confederation, although the figure in 1891 was only 30.

* * * *

MR. CHURCHILL TO VISIT OTTAWA: The Prime Minister, Mr. St. Laurent, announced on November 13, that Prime Minister Churchill of the United Kingdom has accepted an invitation from the Government of Canada to visit Canada when he is on this side of the Atlantic in January. Mr. St. Laurent's announcement stated that Mr. Churchill hopes to spend two or three days in Ottawa after his visit to the United States.

HIGH COMMISSIONER IN PAKISTAN: The Department of External Affairs announced on November 20 the appointment of Mr. K.P. Kirkwood as High Commissioner for Canada in Pakistan, to succeed Mr. D.M. Johnson, who has been appointed Permanent Representative of Canada to the United Nations, New York, Prior to his return to the Department in February of this year, Mr. Kirkwood had been Chargé d'Affaires a.i. of the Canadian Legation at Warsaw from April 1947.

Mr Kirkwood was born at Brampton, Ontario, on April 14, 1899. He attended the University of Toronto, London School of Economics and Columbia University. During the First World War he served with the C.E.F. 1917; R.N.A.S. 1917-18; Royal Air Force 1918-19. Mr. Kirkwood joined the Department of External Affairs as Second Secretary of the Canadian Legation, Washington, in September 1928. He has served at Canadian Missions in Tokyo, The Hague, Rio de Janeiro and Buenos Aires.

* * * *

AUTO SHIPMENTS DOWN: Factory shipments of Canadian-made motor vehicles moved lower in September for the fourth successive month, but with substantial gains in each month from January to May, cumulative shipments for the first nine months of this year were still higher than in the same period of 1950. Shipments in the month were down 22% with most of the decline in passenger cars. The overall January-September gain was 12%. Shipments of made-in-Canada vehicles totalled 29,861 as compared with 38,035 in September last year, bringing the aggregate for the nine months to 329,763 from 294,203.

* * * *

RETAIL SALES GAIN 3 P.C.: Retail sales rose three per cent in September over a year earlier, totalling \$850,520,000 as compared with \$828,770,000. The gain was the smallest this year. Cumulative sales for the first nine months of this year rose to \$7,304,670,000, up 12 per cent over last year's corresponding figure of \$6,550,040,000.

* * * *

FARM PRICES FALL: Farm prices of agricultural products fell in September for the second consecutive month. The decline in the index from August was due to lower prices for live stock and a further slight downward adjustment in grain prices. As compared with a year earlier, prices were higher for all commodities except grain.

Preliminary calculations place the all-Canada index for September this year at 282.8 as compared with 284.8 in August, and 257.1 in the same month last year.

(Continued from p.1)

POLICY STATEMENT AT UN ASSEMBLY

more, but the vision which once inspired such world-wide and such fervent hope has been dimmed by the dark clouds of political conflict between the great powers."

Mr. Pearson continued in part as follows:

"International relations are now, in a very real and dangerous sense, centred on the conflict between two great blocs, facing each other in suspicion and animosity and fear, with the chasm between them growing wider, and the efforts to bridge that chasm apparently becoming less effective. Indeed, if we took the statement of the Soviet delegate on Thursday last at face value, it would show that the Russian Government has now decided to abandon the effort completely, and to use the United Nations, not for the removal of differences, but merely to vilify, sneer at and attack those with whom it disagrees ...

"If only the burden of defence programmes could be reduced, a much larger measure of such technical assistance and aid for capital development could and would flow in a far greater stream into the under-developed countries and territories.

WEAPONS OF COMMUNISM

"Unhappily, the necessity forced on the free states of protecting themselves against Russian imperialism, using as its spear-head the weapons of international communism, has become now the mainspring of national policy.... As a result, the United Nations, instead of devoting its energy to removing the causes of war, and promoting economic and social well-being, is now used all too much as an agency for gaining strength in the conflict which now rages, and in preparing for the far worse one that may come.

"In our debates and discussions, some delegations, notably the Cominform delegations, adopt the strategy, and even the vocabulary of conflict, and others feel it necessary to defend themselves against these tactics. Ideas and words are distorted as in war propaganda, and lose their meaning. Peace is used merely as a slogan to divide and disarm the enemy. The victims of aggression, as in Korea, are denounced as aggressors. Dangerous courses are advocated in the name of nationalism, of freedom, of international law, order and progress. In such an atmosphere, how can our United Nations grow stronger? How, in fact, can it survive?

"There was a depressing example last Thursday of the depths to which the debates of the United Nations General Assembly can now descend. The United States Secretary of State, on behalf of the Three Powers, made a serious proposal - a constructive and helpful proposal - for the regulation, limitation and balanced reduction of all forces and all armaments, and the prohibition of atomic weapons. The first essential step in this process was to set up

an international agency to go into every country, including the U.S.A., and including the U.S.S.R., and secure complete information about every form of armed force and armament, including atom bombs.

"What was Mr. Vishinsky's reply to this Three-Power disarmament proposal? He could hardly sleep, he said, it made him laugh so much: it was so funny. It makes one wonder whether this pathetic merriment does not conceal an uneasy conscience. When he stopped laughing, he produced a really, serious proposal of his own. Let me read you its first paragraph:-

"The General Assembly declares participation in the aggressive Atlantic bloc and the creation by certain States, and primarily by the United States, of military, naval and air bases on foreign territories, incompatible with membership of the United Nation.'

"It is obvious that the Soviet delegation doesn't expect to get much support for that. Even as propaganda it is not very impressive stuff. The whole world knows that the Atlantic Pact is a purely defensive arrangement, in strict accordance with Article 51 of the Charter. It will never become anything else....

DISARMAMENT CONFERENCE

"The U.S.S.R. proposal also calls for a general disarmament conference, beginning not later than June 1, 1952. Why wait until June? What is this Assembly? It is itself a disarmament conference with a concrete proposal now before it; one which causes Mr. Vishinsky only merriment.

"Then, finally, the U.S.S.R. delegation produces again its Five-Power Peace Pact. But as Mr. Acheson said the other day, in the United Nations Charter we have a 60-power peace pact. Why does the U.S.S.R. delegate think a new and more exclusive pact would do what the Charter does not do?

.... "I for one am not prepared to abandon all hope of negotiations within the United Nations to save the present tension. The Three Powers have made a serious proposal that we should begin discussions here and now for the reduction of armaments. We in our delegation support this proposal....

"Because the facts are there for all to see, we have in my country a dread of the aggressive designs of Moscow and less hope, now than before, that negotiation inside the United Nations will result in action that will remove that dread. Other free peoples have been forced to come to the same conclusion. Even in the U.S.S.R. itself, because of the misrepresentation and falsification of events in other countries by a Government which has absolute control over what its own people see and hear, that fear of war has now, I think, been driven deep into the minds of people there who want war as little as we do. The vicious circle of fear is now complete.

"As one means of escape from this dread anxiety, my country is now forced to increase its armed strength, though there lies ahead of it, as a young country, a tremendous task of peaceful national development to which it desires to direct all its energy, all its wealth, all its resources. Instead, for the very protection of our very existence, we are now forced, by the unfriendly, aggressive policies of the Cominform States, to devote today about 45% of our budget to defence.

"History shows, of course, that arms alone have never been able to ensure peace. But what alternative is there, in present circumstances, to that strength from which, alone, the free world can negotiate with any chance of success with those who recognize no other test than power? No words of the kind that Mr. Vishinsky has uttered in this debate, will deflect my own country from this course, because nothing that he has said, or nothing his Government has done, has lessened the burden of our fear...."

* * * *

IMPORTS, EXPORTS RECORDS: Canada's imports and total exports both rose to all-time peak values in the first nine months of this year, but due to a substantially greater rise in the value of imports than of exports the debit balance on foreign trade account was sharply higher than a year ago. There was a small credit balance in September, when both imports and total exports were moderately higher in value than a year ago.

The nine-month deficit in trade with all countries was \$323,800,000 as compared with \$11,300,000 to the end of September last year. In September there was a favourable balance of \$12,000,000 as against a deficit of \$3,900,000 in August and a credit balance of \$3,100,000 in September, 1950.

Imports from all countries in the January-September period this year were valued at \$3,142,000,000 as compared with \$2,259,500,000 a year earlier, and the September value was \$311,500,000 as against \$279,700,000. Total exports in the nine months were valued at \$2,818,200,000 as against \$2,248,200,000 in the similar 1950 period, while the September value was \$323,500,000 as against \$282,700,000.

Increased prices accounted for the rise in the overall value of merchandise imports in September, preliminary calculations indicating a 12% rise in prices while volume was a shade below last year, and well below the levels of preceding months this year with the exception of February. Prices of domestic exports advanced 11.5% and volume rose by 2.7% over the same month last year.

Nine-month import balance in trade with the United States was \$429,800,000 as compared with \$71,400,000 in the similar period of 1950. The debit balance in September was \$22,100,000 -- smallest this year -- as compared

with a favourable balance of \$18,600,000 in the same month last year.

Merchandise imports from the United States in the nine-month period rose 41% to \$2,146,900,000 from \$1,525,100,000.

Favourable balance of trade with the United Kingdom in the nine months was \$112,200,000 as compared with \$55,500,000 in the same period of 1950.

* * * *

ST. LAWRENCE SEAWAY AUTHORITY: The following proposed resolution, preliminary to the creation of a St. Lawrence Seaway Authority in Canada was placed on the House of Commons' Order Paper this week in the name of the Minister of Transport, Mr. Chevrier:

"Resolved, that it is expedient, for the purpose of providing a deep waterway between Montreal and Lake Erie, to create a corporation to be called 'The St. Lawrence Seaway Authority' with power, inter alia, to expropriate; to construct, maintain and operate all necessary works; to borrow amounts not exceeding three hundred million dollars; to establish tariffs of tolls and to employ such officers and employees as may be required for the purposes of the Authority."

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CANADA-U.S. TAX CONVENTIONS: The Department of External Affairs announced that on November 21 in Washington, Canada and the United States exchanged instruments of ratification bringing into force the two conventions signed in Ottawa on June 12, 1950, amending the existing tax conventions in the fields of income tax and succession duties. At the same time Canada accepted a reservation to the income tax convention liberalizing the exemptions for casual visitors from either country receiving compensation for services performed in the other country.

In general the two conventions, which have retroactive effect to the first day of January, 1951, improve and clarify the present agreements which have been in force for some years.

* * * *

BOUNDARY WATERS POLLUTION: The Governments of Canada and the United States on November 19 authorized the International Joint Commission to adopt the measures to facilitate control and prevention of pollution in the boundary waters connecting Lakes Superior, Huron, Erie and Ontario which were recommended in the Commission's report of October 11, 1950.

The Commission's report was made in response to a Reference dated April 1, 1946, in which the Governments of the United States and Canada requested an investigation and report to determine whether the boundary waters connecting the Great Lakes were "being polluted on either side of the boundary to the injury of health or property on the other side of the boundary."



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WEEK'S EVENTS IN REVIEW

RECIPROCAL MILITARY PROCUREMENT: Canadian industry will have to take a greater part in the U.S. defence programme if we are to make the fullest use of our Canadian productive facilities, the Deputy Minister of Defence Production, Mr. M.W. Mackenzie, said in an address at the annual meeting of the Canadian Industrial Preparedness Association in Toronto on November 8.

After a detailed break-down of Canada's three-year \$5 billion programme, he dealt with reciprocal military procurement with the United States, speaking, in part, as follows:

"Our present reciprocal purchasing programme can be said to date from October 26, 1950, when Canada and the United States signed the 'Statement of Principles for Economic Co-operation' which replaces the Hyde Park Agreement of the last war. In this Statement both countries agreed to develop a co-ordinated programme of requirements, production and procurement in order to achieve a maximum production of goods essential to our common defence. As you know, the initial U.S. objective for reciprocal purchasing was between \$15 million and \$25 million. This was later raised to \$100 million for the U.S. fiscal year 1951, and to \$300 million for the current fiscal year.

"We have every evidence that the United States administration is sympathetic to Can-

ada's needs in this field. This has been shown time and again in Mr. Howe's talks with such men as General Marshall, when he was Secretary of Defence, Secretary Sawyer, and Mr. Charles Wilson, Director of Defence Mobilization. The American Government has recognized that the United States will benefit from increased U.S. procurement in Canada. The Statement of Principles is not just a pious hope; it is an acknowledgment of a most important principle to which both Governments genuinely subscribe. But this does not mean that every time we find a situation in which we think the U.S. should buy something that we can produce that they must disregard all other considerations and accept our suggestion.

"Naturally, the Americans have to give first consideration to their own industries in placing orders. If, other things being equal, they find there is excess or idle capacity in the United States, it would be unreasonable for us to expect them to give a contract to a Canadian firm at the expense of a U.S. company. We must realize that orders will be placed in Canada only when there is a sound and logical reason for doing so; when delivery dates cannot be met by U.S. firms; when facilities exist in Canada that would otherwise have to be created in the U.S.; when it is strategically desirable to set up a second source of supply in Canada; when a

CIVIL DEFENCE EFFORT ACROSS CANADA

MINISTER'S ANALYSIS: In an address to the Annual Convention of the Canadian Good Roads Association in Toronto on November 3, the Minister of National Health and Welfare, Mr. Paul Martin, gave the following summary of civil defence efforts in all 10 Provinces:

Newfoundland, in common with every province, has a Minister of Government directing the programme, and has sent its key leaders and instructors to be trained in the federal school.

Prince Edward Island is being organized as a reception area for those injured or homeless because of enemy attack on a community in a neighbouring province.

NOVA SCOTIA'S PROGRESS

Nova Scotia has made excellent progress. Two-thirds of its towns are well along in their planning. Fourteen reception areas have been designated and surveyed, and every piece of useful equipment has been pin-pointed. Ninety fire brigades have trained auxiliary firemen. Halifax has developed an admirable and active programme as a potential target area, and is now training the first group of the 4,000 volunteers it will need.

New Brunswick is being organized in 18 zones. There is a provincial co-ordinating body with committees on health, welfare, fire, police, transportation and other services. Each zone has its corresponding committees.

Quebec has developed a comprehensive over-all programme. Montreal has done remarkably well with its planning and is now moving rapidly into the final stages of its preparatory work. One hundred classes in elementary civil defence will be given for volunteers now being recruited throughout the metropolitan areas.

Ontario has been a leader in the standardization of fire hose couplings. Sault Ste. Marie, London and Windsor have brought their programmes to a good level of development. Many other communities are preparing useful mutual aid programmes.

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NEW ARMY CAMP IN YUKON: Construction of a new military camp on the Alaska Highway, 165 miles south of the Yukon-Alaska border, is setting the stage for the start of Exercise "Eager Beaver" early in 1952.

Straddling the highway at Silver Creek, Y.T., the camp will house the 500 Canadian and United States Army engineers participating in the 6-month training exercise scheduled to get under way there January 15.

Some 40 Canadian and U.S. officers and men have been on the scene since October 7, rushing completion of the camp. Early preparations are expected to be completed before the main body of Canadian troops arrive at the training area January 3.

Manitoba is encouraging the active participation of some 60 municipalities. Eighteen are already actively co-operating in Greater Winnipeg's outstanding programme, which has admirably completed its organization stage and is now beginning to train the 7,760 who recently answered the call for volunteers.

Saskatchewan's programme is also well advanced. A great number of municipalities are actively participating. This Province's preparations are primarily for mutual aid and reception area activities in time of war, but they are geared also for national peacetime disasters. Appropriate courses in civil defence are being given to senior high school students. There is a training school at Fort Qu'Appelle for provincial instructors.

ALBERTA'S ORGANIZATION

Alberta has a very well-thought-out provincial organization with an active information programme and 120 specialists on its provincial planning group. A provincial headquarters has been built. All the larger cities and 43 other municipalities have been organized. Edmonton's preparation to withstand attack is well advanced. Calgary, Lethbridge, and Medicine Hat are actively developing their plans for mutual aid and as reception areas. There is a provincial school for instructors.

British Columbia is divided into two target areas, one target zone, two mutual aid areas and three reception areas, with a co-ordinator appointed for each one. The Province has an excellent programme, and there are 5,000 civil defence workers. There are very active programmes in Greater Vancouver and Greater Victoria. Vancouver has a very good traffic control plan. Nanaimo's organization was recently successfully alerted when the City was threatened by a serious forest fire. A survey is being made of the Province's motor transport resources. This Province is planning to give basic first aid training to 80,000 volunteers.

DUAL LAUNCHING CEREMONY: Two new ships for the Royal Canadian Navy came off the ways in a dual launching ceremony at Lauzon, Quebec, on November 12. They are the first two of fourteen 390-ton minesweepers being built under Canada's more than \$150,000,000 naval shipbuilding programme.

The ships are 152 feet in length and have a beam of 28 feet. Aluminum has been used in frames and decks while the outer skin is wooden. Diesel-powered, the ships will have a speed comparable with that of the minesweeper of the Second World War. They will be equipped with the latest navigational radar and mine-sweeping equipment.

AMBASSADOR OF GERMANY: The Department of External Affairs announced on November 8 that Dr. Werner Dankwort on that date presented to His Excellency the Governor General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of the Federal Republic of Germany to Canada.

Mr. Walter E. Harris, Minister of Citizenship and Immigration was present. Mr. H. F. Feaver, Head of the Protocol Division, presented Dr. Dankwort to His Excellency the Governor General. The Ambassador was accompanied by the following member of his staff. Dr. J. F. Ritter, First Secretary. Mr. D. W. Keller, First Secretary, and Dr. E. Gerwin, Second Secretary.

Dr. Dankwort entered the German Foreign Service in 1920 and served at Berne, Zurich, Geneva, Trieste and Stockholm. In 1949, he was appointed Acting Chief of the Permanent Mission of the Federal Republic of Germany to the Organization for European Economic Cooperation. In September 1950, Dr. Dankwort was given recognition by the Canadian Government as Consul General of the Federal Republic of Germany in Ottawa.

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VICE-ADMIRAL GRANT RETIRES: Vice-Admiral Harold T. W. Grant, CBE, DSO, CD, RCN, Chief of the Naval Staff since September, 1947, will proceed on retirement leave December 1, terminating a 37-year career in the Royal Canadian Navy, the Minister of National Defence. Mr. Brooke Clexton, announced November 7.

He will be succeeded as Chief of the Naval Staff by Rear-Admiral E. Rollo Mainguy, OBE, CD, RCN, whose promotion to Vice-Admiral will become effective concurrently with his assumption of office. Rear-Admiral Mainguy has been Flag Officer Atlantic Coast since October, 1948.

Commodore Roger E. S. Bidwell, CBE, CD, RCN, will become Flag Officer Atlantic Coast, with the rank of rear-admiral. He has been serving temporarily as Commodore of the RCN Barracks, Esquimalt.

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CRUDE PETROLEUM RECORD: Canadian production of crude petroleum crossed the 5,000,000-barrel mark for the first time in August. The month's output, at 5,329,565 barrels, was eight per cent above the previous peak of 4,935,512 barrels in July, and more than double last year's August total of 2,468,623 barrels. Cumulative output for the first eight months of this year rose sharply to 30,235,106 barrels from 17,591,258 a year earlier, and was four per cent above the output for the calendar year 1950.

August production from wells in Alberta advanced to 5,187,803 barrels from 2,310,762 a year ago, and in the eight-month period to 29,093,022 barrels from 16,566,482. Output from the Redwater field totalled 2,856,051

barrels compared with 824,516 in August last year, and in the eight months amounted to 15,098,190 barrels against 5,639,109. Leduc's production in the month was up to 1,398,328 barrels from 964,688, and in the eight months to 8,375,157 barrels from 6,931,903.

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METROPOLITAN GROWTH: Preliminary population totals for the city proper and metropolitan areas of Toronto, Hamilton, London, Windsor, Halifax, Saint John and Victoria, released in the fifth list of 1951 Census figures for cities, towns and incorporated villages, like most of those for major cities issued earlier, show uniformly larger gains in population outside than within city boundaries.

Toronto's city population increased only 3,488 or 0.5% to 670,945 from 667,457 in 1941 -- the smallest gain among the larger cities, but the metropolitan area population climbed by 198,604 or nearly 22% to 1,108,532 from 909,928.

Population of Hamilton rose to 207,544 from 166,337, a gain of 24.8%, while that of the Hamilton metropolitan area increased 30.8% to 258,572 from 197,732. London had closely similar increases, the city population rising 21.4% to 94,984 from 78,264 and the metropolitan area population almost 35% to 120,991 from 91,024. Windsor's city population increased 13.5% to 119,550 from 105,311 and its metropolitan area population 26.5% to 156,868 from 123,973.

On the Atlantic, population of Halifax city increased to 84,433 from 70,488, a gain of 19.8%, while that of the metropolitan area rose almost 36% to 132,074 from 97,183. Showing the smallest changes, population of Saint John was recorded at 50,023 compared to 51,741 ten years ago and that of the metropolitan area at 77,385 compared to 70,927. On the Pacific, Victoria's city population, as earlier reported, increased to 50,774 from 44,068, a gain of 15.2%, while the metropolitan area population rose 36.6% to 103,199 from 75,560.

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CANADA SAVINGS BONDS: A steady paced increase over last year marked dollar figures for the third week of selling for Canada Savings Bonds with a total to Nov. 6 of \$234 million. This compares with \$200 million at this date a year ago. Purchases by 581,000 employees of Canadian companies accounted for \$145 million of this total -- an increase of 9% compared with last year at this date.

Payroll sales in the various Regions showed the Atlantic provinces maintaining their lead with 118.5% of last year's final Payroll sales. Ontario and Quebec follow with 99.7% and 96% respectively. British Columbia Region reported sales of 93.7% followed by the Prairie provinces with 86.4% with indications of plenty more to come.

TOKYO FISHERIES CONFERENCE: Canada desires a fisheries agreement "based on good sense, equity and justice," the Minister of Fisheries, Mr. R.W. Mayhew, said at the opening of the Fisheries Conference in Tokyo on November 5.

After noting the occasion as one which marked the return of Japan to international conferences, Mr. Mayhew said: "We hope this marks the beginning of a long and happy friendship between the people of Japan and the people of Canada."

Without international co-operation and joint action, he said, there would be few halibut or salmon left. In the case of halibut, for example, the whole quota allowed to the fishermen of Canada and the United States was now caught in one month's time, leaving special gear unused for the remainder of the year. Despite all efforts at conservation of salmon, there had been no significant expansion in most of the species.

NECESSARY RESTRAINTS

He continued, in part:

"Without some international agreement to safeguard the benefits from all these efforts, no incentive would remain to conserve stocks in the high seas. To prevent this, there must be international agreements. Such agreements in our view must contain two parts at least. First, the creation of an organization that will make a continuous scientific study of the particular resources covered by the agreement. Such an organization must be representative of and must be contributed to by the various governments that are party to it. Two, there must be restraints on the fishing industry. Some waiver of the right to free fishing is necessary among the parties to the agreement."

"Canada welcomes this opportunity to meet with its Japanese and American neighbours on the North Pacific to discuss these questions. During our stay in Japan, we are looking forward to seeing something of your fishing and to understanding more of the importance of this industry to your people. We are hopeful that we will reach mutual agreement on fisheries questions and thereby add one more ring to the chain that will bind our friendship in the North Pacific."

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RCAF MOVEMENT TO U.K.: About 100 RCAF officers and men will leave Canada for the United Kingdom during the next four weeks for the new Fighter Wing headquarters at North Luffenham, near Leicester, it was announced November 8 by Air Force Headquarters. Further personnel are to follow. An advance party left Canada for the Wing during late August to prepare the station for its full complement of Wing headquarters and station staff and squadron personnel to follow.

Majority of the Wing personnel will be flown to the UK in a series of air movements

to be handled by Air Transport Command's 426 Squadron during this month and early December. The remainder will travel by ship.

On their return flights the 426 North Stars will bring back to Canada members of the RCAF's 421 Red Indian Squadron, which has been stationed at Odiham, in southern England since last January. First east-bound flight was scheduled to leave Dorval, P.Q. November 9, by way of Gander, Newfoundland, and the Azores. The return flights began November 13 when a 426 North Star left the UK carrying 421 personnel homeward

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1500 MORE TROOPS TO GERMANY: Fifteen hundred more Canadian soldiers -- all members of the 27th Canadian Infantry Brigade Group -- sailed from Quebec City November 12 for Rotterdam and thence to the Hanover area of Germany. They will join the defence forces of Western Europe under command of General Dwight D. Eisenhower.

This contingent, Army Headquarters said, will bring to approximately 2,350 the number of Canadian soldiers already in Germany or en route. More than 500 sailed from Quebec City November 5 and an advance party of 300 is already in camp at Hanover. The remainder of the Brigade will sail at weekly intervals until mid-December and the entire group is expected to be in Germany by the end of the year.

Included in the November 12 contingent, was the 1st Canadian Infantry Battalion and its band together with the 58th Independent Field Squadron, RCE, and the 194th Infantry Workshop, RCEME. Other smaller units included an advance party of the 79th Field Regiment, RCA, a base repair section, members of the Provost and a dental detachment.

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CANADA'S WHEAT INCREASE: Wheat supplies remaining on or about October 1 in the four major wheat exporting countries for export and carryover at the end of their respective crop years amounted to 1,165,000,000 bushels, slightly below the 1,172,000,000 a year ago. The location of exportable supplies this year, however, varies from the position at the same time in 1950, an estimated increase of some 175,000,000 bushels in Canada offsetting decreases in the other three major exporting countries, the Bureau of Statistics reports.

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P. E. I. POPULATION UP: Population of Prince Edward Island increased to 97,787 at the first of June this year from 95,047 ten years earlier, according to preliminary totals of the 1951 Census for Canada's smallest province released by the Bureau of Statistics. In 1931 the population stood at 88,038; while the peak census figure was 109,078 in 1891.

(Continued from p.1)

RECIPROCAL MILITARY PROCUREMENT

Canadian product is more suitable; and, of course, if the Canadian price is more favourable.

"Before giving you the figures on the reciprocal procurement that has been undertaken so far, I would like to point out certain factors which must be taken into account whenever these figures come up for discussion. In the first place, the Canadian figure is heavily weighted by purchases made in the United States as a result of the Government's decision to standardize on U.S. type equipment. This necessitated heavy purchases in the United States, where the equipment was readily available, in order to secure rapid replacement of British-type equipment given to NATO countries. These expenditures should taper off as we get into production in this country of American-type equipment.

DEVELOPMENT ORDERS

"On the other hand, the United States orders that have been placed in Canada are largely for items being produced here for the first time. Consequently, the initial orders actually placed are in the nature of development orders which will be followed up by more substantial demands. Take, for example, the United States decision to have T36A Beechcraft produced at Canadair. Just last week the United States placed an initial development contract covering forty planes, but when the preliminary engineering work is done and production can be got under way, this number will be considerably increased. Another example is in the case of the Beaver, being produced by DeHavilland. In this case the initial order was for one hundred and nine planes. It is expected that this number will be approximately doubled in the very near future and, indeed, it is indicated that the United States will place further orders for even larger numbers. Further examples could be given such as the production of three inch, fifty calibre guns for the United States Navy at Sorel; Harvard Trainers at the Canadian Car and Foundry plant at Fort William, etc.

"There is another point, and that is that the reciprocal procurement figures do not show heavy United States purchases in Canada for the stock-piling of strategic materials. Another thing to remember is that the figures represent direct government purchases only and in neither case are sub-contracts shown. As you know, a number of defence sub-contracts have been placed in Canada by U.S. prime contractors and Canadian sub-contracts have been placed in the United States. Undoubtedly these would be of substantial proportions, but we cannot say just what effect they would have on our reciprocal procurement figures.

"For the figures on reciprocal purchasing, I have gone back to July 1, 1950, which marks

the beginning of a United States fiscal year. In fifteen months the Canadian Government placed \$500 millions worth of contracts in the United States. Aircraft requirements form the major portion of this total and amount to around \$221 million. Over \$103 million was committed for electronics; another \$84 million for military vehicles; and over \$64 million for weapons and ammunition.

"During the same period, the United States Government placed orders in Canada amounting to some \$95 million. The largest portion of the orders, around \$40 million, was for the radar screen programme. Weapons, chiefly the 3" 50 calibre naval guns, accounted for another \$27 million, aircraft requirements for some \$14 million, while smaller items included \$5.3 million for Arctic huts and \$6.7 million for explosives.

"Canadian industry will have to take a greater part in the U.S. defence programme if we are to make the fullest use of our Canadian productive facilities and if we are to reduce the gap in our international balance of payments. There are two approaches to the problem. One is to secure more prime contracts from the U.S. Government, which, in the case of large contracts, would also mean sub-contracts for our smaller companies. The other is for Canadian firms to go out after sub-contracts from U.S. prime contractors...."

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WESTERN ARCTIC RESEARCH: The Defence Research Board's vessel C.G.M.V. *Cancolim II* has just completed a very successful summer's hydrographic and oceanographic work in the Western Arctic.

The *Cancolim* left Esquimalt on July 28 and after calling at Prince Rupert and Unalaska and Point Barrow, Alaska, arrived at Herschel Island, near the Mackenzie Delta, on August 21. Good weather and an exceptionally ice-free season helped the expedition to do considerably more work than had been expected.

From Herschel Island the *Cancolim* steamed some 4,000 miles while carrying out investigations in the coastal waters of the Beaufort Sea, both off the Canadian mainland and along the west coast of Banks Island as far north as Prince Alfred Cape, and also in Amundsen Gulf as far east as the entrance to Dolphin and Union Strait. The limits of the continental shelf in this region were defined and the characteristics of the waters were investigated.

Besides completing the hydrographic and oceanographic programme, a considerable number of biological specimens were collected for the Fisheries Research Board, as well as about 300 birds and mammals for the National Museum. Other scientific work included the establishment of four astronomical control points, and special surveys for the Department of Resources and Development

IN PARLIAMENT

TRADE WITH BRITAIN: The Minister of Trade and Commerce, Mr. C.D. Howe, said in the House of Commons on November 8 that he did not view with great alarm, so far as Canada's position was concerned, the announcement of the United Kingdom Government's intention to cut imports from the dollar area by about one billion dollars.

Speaking in reply to a question by Mr. P.E. Wright, Melfort, the Minister said:

"The Government has no particulars of the plans of the United Kingdom to reduce imports from Canada. As far as we are concerned, we have an understanding with the Government of the United Kingdom that Britain will continue to buy her North American supplies of wheat from Canada. That practice is being followed. The imports of wheat by the United Kingdom are no greater than required for immediate consumption, and therefore I look for no reduction in that direction.

"In general the imports from Canada are raw materials; metals, iron ore, lumber and materials of that type. Raw materials are generally in great demand throughout the world and I see nothing in the supply position of the United Kingdom that would lead me to believe that amounts taken from Canada can be reduced greatly. All materials of that type are readily saleable in world markets, and I cannot view the announcement with great alarm as far as the Canadian position is concerned."

COMMONWEALTH CONFERENCE The Minister of Finance, Mr. Abbott, announced in the House of Commons on November 8 his intention to attend a meeting of Commonwealth Finance Ministers on January 15. In reply to a question by Mr. Howard Green, (Vancouver Quadra) the Minister said:

"I received a message yesterday from the Chancellor of the Exchequer advising me that it was proposed, as had been planned by his predecessor, to hold a meeting of Commonwealth Finance Ministers on January 15, I think, speaking from memory. I suppose the purpose of the meeting would be to discuss matters of common concern, as has happened in past meetings of this kind, relating more particularly perhaps to the members of the Commonwealth that are members of the sterling area; but in any case the Chancellor invited me to attend, and, as on previous occasions, it is my intention to attend."

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NRC REFRIGERATOR CAR SUCCESS. A successful transcontinental road test was recently completed on railway refrigerator cars modified by the Canadian Pacific Railway according to a new design developed by the National Research Council. Lower carrying temperatures were obtained for food transport.

This full-scale test marked another step in

the programme to improve railway refrigerator cars, undertaken jointly by the Canadian National Railways, the Canadian Pacific Railway Company, the Fisheries Research Board and the National Research Council. Three carloads of frozen fish were hauled from Vancouver to Toronto and Montreal, climaxing a long series of NRC model-car tests which showed that changes in bunker design could lower car temperatures by as much as 5°F.

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LIBRARY LIST. The following is a selected list of Canadian Government publications received in the Library of the Department of External Affairs in October:

Central Mortgage and Housing Corporation: Postwar Housebuilding in Canada Cost and Supply Problems Pp. 86

Civil Service Commission: Training in the Public Service of Canada. A supplementary report April 1949 to December 1950. Pp. 34.

Department of Veterans Affairs. Report of the Work of the Department of Veterans Affairs, Canadian Pension Commission and War Veterans' Allowance Board for the Year ending March 31, 1951. Pp. 102. Price, 25 cents.

Ontario. Research Council of Ontario: Third annual report 1950-51. Toronto. Pp. 51.

Canadian Welfare Council: 31st annual report Welfare in Canada. Ottawa, 1951. Pp. 34.

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ROLLS-ROYCE ENGINES FOR CANADA. The Minister of Defence Production, Mr. C.D. Howe, announced on November 9 that arrangements have been made with the Rolls-Royce Company to supply Nene engines for the T-33 Trainer programme. The initial supply will be imported complete and the balance are to be assembled in Canada, largely from parts of British manufacture. Rolls-Royce will, however, make such use of existing Canadian facilities as they can without interference with the present Canadian programme.

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AIR ATTACHE IN PARIS. Group Captain F.A. Sampson, OBE, CD, 45, of Toronto, has been appointed Canadian Air Attaché in Paris, it was announced November 13 by Air Force Headquarters. He replaces Group Captain F.C. Carling-Kelly, AFC, CD, 40, of Toronto, who has been selected to attend the new NATO Defence College in Paris.

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NOVA SCOTIA POPULATION RISE. Nova Scotia's population increased to 638,277 in June this year from 577,962 ten years earlier, a gain of 10.4 per cent, according to preliminary census totals for the Province, with breakdowns by counties, released by the Bureau of Statistics.

The numerical increase of 60,315 from 1941 to 1951 compares with a rise of 65,116 or 12.7 per cent between 1941 and 1931, when the population total was recorded at 512,846.



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WEEK'S EVENTS IN REVIEW

DELEGATES TO FAO CONFERENCE: The Department of External Affairs announced November 2 that the Canadian Delegation to the forthcoming FAO Conference in Rome will be headed by the Minister of Agriculture, Mr. James G. Gardiner, if his parliamentary duties and attendance at the Annual Federal-Provincial Agricultural Conference make it possible for him to leave Canada. Dr. G.S.H. Barton, Special Assistant to the Minister of Agriculture, will attend as alternate head of the Canadian Delegation.

Other members of the Delegation are: Dr. S.C. Hudson, Principal Economist, Economics Division, Department of Agriculture; Mr. S.J. Chagnon, Vice-Chairman, Agricultural Prices Support Board, Department of Agriculture; Dr. D.A. Macdonald, Director, Forestry Branch, Department of Resources and Development; Dr. L.B. Pett, Chief, Nutrition Services, Department of National Health and Welfare.

Dr. H.H. Hannam, President of the Canadian Federation of Agriculture, and Mr. J.H. Tremblay Agricultural Secretary of the Canadian Embassy, Paris, will act as Advisers to the Delegation.

The Conference opens on November 19 and is expected to continue until December 7. This is the first session to be held at the new Permanent Headquarters of the FAO in Rome. It is also the last annual session; future sessions will be held once every two years.

27TH OFF TO GERMANY: The first contingent of the main body of Canada's 27th Infantry Brigade Group, raised and trained for the defence of Western Europe, sailed from Quebec City for Rotterdam on November 5. From Rotterdam the troops travelled by train to the Hanover area of Germany where winter accommodation had already been prepared.

A small work party of the Brigade was already in Europe and an advance party of some 300 sailed from Montreal and Quebec on October 20. The November 5 party of more than 500 constituted the initial movement of the Brigade proper and included brigade headquarters and a number of the smaller service and supporting units of the group. Infantry units and the artillery have been assigned to later sailings.

The Minister of National Defence, Mr. Brooke Claxton, said the move from Canada to Europe of the approximately 5,500 members of the Brigade will be completed in six separate sailings, the last scheduled for December 13. It is expected that the entire group will be in barracks near Hanover before the end of December. Further departures are scheduled for November 12, 18, 28 and December 8 and 13, the largest group of approximately 1,400 being assigned to the November 12 sailing.

The Minister was in Quebec City for the departure, accompanied by senior army officers.

SECURITIES TRANSACTIONS: Trade in outstanding securities between Canada and other countries was larger in August than in recent months, but fell below last year's August level when sales to the United States were particularly heavy.

Sales to all countries in August this year were valued at \$33,400,000 as compared with \$27,200,000 in the preceding month and \$73,300,000 in the corresponding month last year, and the purchases totalled \$30,600,000 against \$26,100,000 in July, and \$19,400,000 a year earlier. Sales in the first eight months of the year were valued at \$358,100,000 as against \$250,300,000 in the same period of 1950, and purchases aggregated \$311,600,000 against \$176,900,000.

August sales to the United States were valued at \$29,400,000 against \$24,900,000 in July and \$72,000,000 in August last year, and the purchases totalled \$29,000,000 against \$24,700,000 in July, and \$17,900,000 a year ago. Eight-month sales aggregated \$323,800,000 against \$241,000,000, and the purchases totalled \$291,200,000 against \$156,300,000.

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KOREA VETERANS VISITORS: Ottawa was host on November 1 to 26 wounded fighting men fresh from the Korean battle front in the first United Nations' servicemen's tour. The party consisted of servicemen selected from the forces of Canada, the United States, Australia, Korea, France, Thailand, Greece, the Netherlands, India, the United Kingdom, Ethiopia, New Zealand, Norway, Belgium, Turkey, South Africa, Colombia, the Phillipines and Luxembourg.

The party arrived at Rockcliffe and was greeted by high ranking officials. The servicemen then toured Ottawa in private cars before luncheon in the House of Commons given by the Minister of National Defence, Mr. Brooke Claxton.

The servicemen toured the House of Commons, attended parliamentary session, and met the press. They visited the National Gallery later in the afternoon. Veteran Cabinet Ministers, the Mayor of Ottawa, Ambassadors and Military Attachés of the representative countries, press and radio representatives and other dignitaries attended the luncheon.

Service officers and military attachés were hosts to the Korean veterans at dinner and they appeared on the stage of a down-town theatre.

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WHEAT SUPPLIES: Visible supplies of Canadian wheat in store or in transit in North America on October 18 increased to 201,005,691 bushels from 188,281,811 in the same week last year. Overseas export clearances of wheat during the week ending October 18 rose to 7,376,697 bushels from 3,437,448 a year earlier.

1949 COMMODITIES TOTAL \$10 BILLION: Overall net value of commodities produced in Canada continued to climb in 1949, reaching an all-time record total of nearly \$10,000,000,000, seven per cent above the previous peak value of \$9,400,000,000 in 1948, according to the annual survey of production published by the Bureau of Statistics.

Manufacturing remained by far the leading group in 1949 among the commodity-producing industries. With a net value of \$5,330,566,000 (inclusive of duplication), it accounted for over one-half of the total value added, and was substantially above the 1948 total of \$4,940,369,000. Agriculture, again second in order, had a slightly lower net value total of \$2,027,304,000 as against \$2,045,693,000 in 1948 -- more than 20% of the grand total in both years.

Net value for the construction group -- third largest -- jumped to \$1,066,649,000 from \$829,644,000, and the proportion advanced to 10.7% from 8.9. Forestry, in fourth position, had a slightly lower net value at \$1,056,404,000 as against \$1,070,439,000 in 1948, and its proportion of all value added was a shade lower at 10.6% as against 11.4.

Net value of production of the mining industry rose in the year to \$800,217,000 from \$727,950,000.

Maintaining its dominant position, Ontario led all other provinces in net value of production in 1949 with a substantial rise to \$4,114,752,000 from \$3,758,301,000 the year before. Quebec, second in order, had a total of \$2,615,449,000 as against \$2,430,340,000.

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GOLD PRODUCTION LOWER: Canadian production of gold was lower in August and the first eight months of this year than in the same periods of 1950. The month's output amounted to 345,096 fine ounces as compared with 375,924 in August last year, and in the eight months totalled 2,878,548 fine ounces against 2,939,761 a year earlier.

August output in Ontario was down to 183,007 fine ounces from 205,377 a year ago, British Columbia to 21,694 from 26,414, and the Yukon to 11,553 from 17,690. Total for Quebec was higher at 85,696 fine ounces compared with 85,672.

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EMPLOYMENT, WAGES AT HIGH: Industrial employment, payrolls, and average weekly earnings reached all-time peaks at the beginning of September, according to advance tabulations. The general index number of employment, on the 1939 base, stood at 198.3 as against 198.1 at August 1 and 194.1 a year earlier, and the payrolls index was 407.9 as against 400.3 the month before, and 358.5 on September 1, 1950. Average weekly earnings amounted to \$50.50 as against a revised average of \$50.16 at the beginning of August, and \$44.17 a year ago.

RISE IN EXPORTS TO U.K. OVERSHADOWS DECLINE WITH U.S.

SUBSTANTIAL OVERSEAS GAIN: Canada's domestic exports to the United States fell in September below a year earlier for the first time in almost two years, but there were marked advances in shipments to the United Kingdom and European countries, and a smaller increase to Latin America. The overall result was a comparatively moderate rise of 15% in the value of goods shipped to all countries in September. In the nine months ending September there was an increase of 25%.

Among the larger commodities, there were sharp gains in September in export movements of wheat, other grains, wood pulp, and aluminum, and more moderate increases were shown for a number of other leading commodities. Cattle, fish, planks and boards were among the declines.

Exports to the United States were down 3.2% in the month, but rose 18% in the first nine months of the year, while shipments to the United Kingdom advanced 72.5% in September and 29.7% in the cumulative period. Exports to Europe were doubled in value in the month and were about four-fifths larger in the nine months, while shipments to Latin American countries were up 11% in September and almost 30% in the nine months.

Shipments to all countries in September were valued at \$320,100,000 as compared with \$279,100,000 in the corresponding month last year, and the cumulative value for the first nine months was \$2,784,600,000 as against \$2,220,500,000 in the similar period of 1950.

INVENTORIES AT NEW PEAK: Estimated value of inventories held by Canadian manufacturers rose in August for the 12th consecutive month to reach an all-time peak total of \$3,451,800,000, an increase of \$56,000,000 over July, and an advance of \$889,000,000 over August last year, according to value estimates which are now published by the Bureau of Statistics. In terms of index numbers, August inventories stood at 185.8 against 182.8 in July, and 137.4 a year ago.

All of the four major industrial groups shared in the increase in inventory values over July, the producers' goods and construction goods industries accounting, however, for the greatest proportion of the month's increase. Producers' goods inventories rose to \$633,200,000 from \$608,100,000 in July and \$458,100,000 a year earlier, and construction materials to \$276,800,000 from \$263,900,000 in July and \$192,600,000 in August, 1950. Capital goods inventories were next in dollar size of August increase, rising to \$420,000,000 from \$409,700,000 in July and \$294,800,000 last year. Consumers' goods -- by far the largest of the four, representing almost two-thirds of all manufacturing inventories -- rose moder-

ately to \$2,121,900,000 from \$2,114,000,000 a month earlier but accounted for more than half of the total increase in manufacturing inventories since August last year, when they stood at an estimated \$1,607,500,000.

Rough estimates of actual physical volume of goods held in inventory at the end of July this year -- latest available -- indicate an overall rise of 14% over the 1950 average level.

TRADE COMMISSIONER IN NEW ORLEANS: The opening of a new Trade Commissioner office in New Orleans, and the appointment of G.A. Newman as Canadian Government Trade Commissioner, was announced November 2 by the Department of Trade and Commerce. Mr. Newman, who has served at a number of Canadian trade offices abroad, is at present Director of the Export Division of the Department of Trade and Commerce. He will assume his new duties in New Orleans early in the New Year.

The decision to establish a trade office in New Orleans was based on the excellent opportunities present in the southern States for marketing Canadian products.

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DEFENCE PRODUCTION AND INDUSTRIAL DEVELOPMENT

MR. HOWE'S NEW YORK SPEECH: Canada is building air stations and related facilities across over 4,000 miles of the continent, and at some points close to the North Pole, over 3,000 miles from the 49th Parallel, the Minister of Defence Production, Mr. C. D. Howe, said in an address to the Canadian Society of New York on November 5.

"There are in reality two parts to Canada's preparedness efforts; a defence production and construction programme and a vitally important resources and industrial development programme," he said.

"Our defence production and construction programme has been expanded considerably since aggression occurred in Korea. In the current fiscal year a sum of over \$1.7 billion has been provided for defence purposes and most of this will be taken up by the various programmes in or coming into operation. Since the ratio of the Canadian to the United States national output is about 1 to 15, this means that actual defence expenditures made by Canada may be about equal to a current annual outlay of \$23 to \$27 billion in the United States. But in both our countries our defence production efforts are gathering speed. By 1953, when we expect the Canadian defence expenditure rate to reach a peak level, the figure is likely to be closer to \$40 billion if translated into terms of American capacity...."

THREE PROGRAMMES

"Our defence production efforts put greatest emphasis on three programmes, aircraft, electronic equipment and shipbuilding. Similarly, our defence construction efforts are so designed as to provide primarily the facilities we need to fit into North American defence strategy and to supplement our specialized defence production programme. Our defence construction projects, therefore, emphasize greatly the provision of airfields, radar stations and coastal defence installations...."

In Canadair, Ltd., of Montreal, the Minister said, Canada may soon have one of the largest aircraft factories in the world. Now producing F-86 jet interceptors, Canadair also would produce the T36A Beechcraft twin-engine trainer for the U. S. A. F. and the T33 jet trainer for the R. C. A. F. When the plant was rolling out all three aircraft it would probably be employing around 18,000 people. And this was just part of the Canadian aircraft production story.

The United States, he went on, was negotiating to purchase a large number of mobile early-warning radar sets which Canada has developed and engineered. It was becoming apparent that it is the best piece of equipment for the specific purpose at present in production anywhere. Canada had undertaken to make 300 units available to European NATO countries as part of our Mutual Aid Programme.

Mr Howe proceeded, in part:

"Another specialized field in which Canada is making an important contribution is that of defence research. Our work bears upon Arctic warfare, problems of radio transmission in Northern Canada, and defence against atomic, chemical and biological attack. We are also conducting investigations in the fields of guided missiles, electronics, medical research, aeronautics and anti-submarine warfare.

Among our achievements in the research field which we have shared with the United States and our other North Atlantic Treaty partners, is the development of the one-mile infantry pack wireless set which has been accepted as standard equipment by the United Kingdom and the United States. In the field of atomic energy research, Canada has been doing pioneering work on her own, supplementing the important work done by the United States and the United Kingdom...."

"Reflecting, in part, increased defence and defence-supporting efforts, output of Canadian industry, like that of American industry, has risen substantially since the end of World War II. The volume increase from 1946 to date is 36 per cent for Canada and 29 per cent for the United States, but the most important aspect is the direction of industrial expansion.

MANUFACTURING OUTPUT

"In Canada, output of durable manufacturing industries, and this includes primary iron and steel, non-ferrous metals, smelting and refining, non-metallic mineral production and the production of aircraft, railway rolling stock, ships, motor vehicles, machinery, electrical and other equipment, is currently running 54 per cent in volume terms above 1946. The corresponding United States increase is 42 per cent...."

"As between different industries, output in the iron and steel sector in the United States has risen at a considerably more rapid rate (73 per cent) than in Canada (36 per cent), where a large expansion programme currently under way is expected to raise output considerably over the next two years...."

"Canadian manufacturing industries are spending this year over \$850 million on the expansion and modernization of plant and equipment. Translating this expenditure into American terms, this would equal a capital outlay by United States manufacturing industries of some \$13 billion, or about equal to what I understand American manufacturing firms contemplate spending this year on plant and equipment...."

"The Canadian approach to defence is similar to the Canadian approach to economic development. We take no narrow view either of our responsibilities or of our opportunities...."

MR. JOHN E. GOODISON'S APPOINTMENT: Agent General J. Donald Kingsley of the United Nations Korean Reconstruction Agency on November 3 announced the appointment of John E. Goodison, Canadian industrialist and government official, as Assistant Agent General.

Mr. Goodison will be responsible for liaison with the United Nations Secretariat, the various national delegations to the United Nations and with voluntary agencies co-operating in the UNKRA programme. In addition, he will supervise UNKRA procurement in Canada.

Mr. Goodison has been a member of the Executive Council of the Canadian Manufacturers Association, has served on the Ontario Regional Committee of the Canadian Chamber of Commerce, has been an associate member of the American Association of Agricultural Engineers and has been active in civic bodies such as hospital and library and library boards.

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NEW DWELLING UNITS: Construction of new dwelling units was again at a lower level in September than a year earlier. Starts fell 46% -- the fifth decrease in as many months -- while completions were off by 11% to record the third successive monthly decrease. The September drop in starts followed declines of 20% in August, 40% in July, 21% in June, and 14% in May. Completions, following a general rise in the first six months, fell 18% in August and 28% in July.

Starts on new dwelling units in the first nine months of this year fell off 20% as compared with the similar period of 1950, while completions were down by a moderate four per cent. Urban areas accounted for a major part of the decline in both starts and completions. The combined result of these trends was a decrease of almost 17% in the number of new dwellings in various stages of construction at the end of September.

Starts in September numbered 5,538 as compared with 10,245 a year earlier, and in the nine months aggregated 57,587 as against 71,945.

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NEWFOUNDLAND ELECTION: Premier Joseph Smallwood has announced November 26 as the date for Newfoundland's second general election as a Province.

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QUEBEC LEGISLATURE: The Fourth Session of the 23rd Quebec Legislature was opened on November 7.

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COST-OF-LIVING RISE: The Bureau of Statistics cost-of-living index advanced 0.3% from 189.8 at September 1 to 190.4 at October 1. As in the previous month, a decline in food prices was outweighed by increases in other groups.

CANADIAN TO NATO COLLEGE: Lt.-Col. Robert T. Bennett, OBE, CD, 33, of Ottawa, a Royal Canadian Ordnance Corps Officer, has been selected to attend the first course at the NATO Defence College in Paris, Army Headquarters has announced. The course will begin in November and continue for six months.

The NATO Defence College, set up under orders by General Eisenhower, will be attended by army, navy and air force officers from the NATO countries plus civilians who may later be available to fill key positions in NATO. It is expected that the first class will consist of approximately 50 students.

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CANADA SAVINGS BONDS: Nearly half a million Canadians bought \$157 millions of Sixth Series Canada Savings Bonds by the end of the second week of the campaign, an increase of \$20 millions over the total bought at the same date last October. Payroll Savings accounted for \$106 millions of this in purchases by 420,853 employees -- a dollar increase in this category to date of 9.6%.

The sales to the general public at \$51 millions to date were \$11 millions up over last year for the same period, although the number of transactions in this category was down about 20,000 for a total of 61,476. The average purchase by the general public was \$831.99, nearly double the average purchase at the end of last year's campaign.

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NEWFOUNDLAND'S POPULATION RISE: Population of Newfoundland totalled 357,762 at the first of June this year, according to preliminary population totals of the 1951 Census for Canada's newest Province released November 1 by the Bureau of Statistics. This is an increase of more than 11% from 321,819 in October, 1945, when the last census prior to Confederation was taken in Newfoundland. Population was recorded at 289,588 in 1935.

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MOBILE LABORATORY FOR ONTARIO: Purchase of a new mobile public health laboratory to serve rural areas of Ontario has just been authorized as part of Canada's expanding national health programme, the Minister of National Health and Welfare, Mr. Paul Martin, announced November 2. The mobile laboratory will be used mainly for emergency work in country districts and will supplement Ontario's system of regional provincial laboratories.

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MANUFACTURING RISE: During the three months from June to August, the volume of manufacturing production in Canada averaged more than four per cent above the level of the corresponding period last year, according to the latest issue of the Canadian Statistical Review.

ECONOMIC OUTLOOK: Canada will do as well as any in maintaining stability while increasing strength, the Minister of Finance, Mr. Douglas Abbott, stated on November 1 before a joint meeting of the Association of Canadian Advertisers and the Advertising and Sales Executive Club in Montreal. The following is an extract from his analysis of economic outlook:

"In the past 12 months many hundreds of millions of foreign funds have come into Canada in one way or another for investment here. This movement is of a character quite different from that of the tremendous inflow of foreign funds to Canada which took place in August and September of 1950 based on an expectation of a rise in the Canadian exchange rate. The inflow since that time has been of a more stable and constructive character.

"Direct investment by non-residents in Canadian industry (not including the re-investment of undistributed profits in branch plants and subsidiary companies) amounted to \$190 million in 1950 and may well reach a similar total in the current year. In addition the issue of bonds by provinces, municipalities and corporations in the private capital market of the U.S. (after offsetting retirements of about \$100 million) has resulted in net inflow of about \$200 million since the beginning of this year.

"Although it is true that the great growth of foreign investment in Canada has been encouraged by the tremendous attraction of new natural resource development within our borders as well as our general growth, it is not likely that it would have taken place in this volume without confidence in the stability of Canada's economic climate as a whole.

"In fact most of those funds which came to Canada in 1950 for what was then expected to be a quick ride on an 'exchange appreciation bandwagon' have remained -- presumably because the economic prospects up here were found to be good. This kind of evidence is a satisfying indication that others believe that things are going well in Canada."

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COMMITTEE ON COMBINES REPORT: The House of Commons approved on division on November 6 a government resolution to establish a special parliamentary committee to study retail price fixing.

The resolution, sponsored by the Minister of Justice, Mr. Stuart Carson, read, in part:

"That a joint committee of both Houses of Parliament be appointed to consider the interim report of the Committee appointed to study combines legislation tabled in the House of Commons Friday, October 12, 1951; and to consider appropriate amendments to the Combines Investigation Act based thereon."

COMMITTEE ON DEFENCE EXPENDITURES: The Prime Minister, Mr. St. Laurent, announced in the House of Commons on November 6 the Government's intention to set up a House committee to study defence expenditures.

His announcement, and the comment of the Leader of the Opposition, Mr. George Drew, were as follows:

Mr. St. Laurent: The Government have decided, Mr. Speaker, that I shall place on the order paper a notice of a resolution for a committee on defence expenditure, and I trust that it will be in terms which the hon. gentleman (Mr. Drew), will find are in conformity with the suggestions he made to me during the conference we had in my office with the Leaders of the other groups. We are doing that, although we feel it will be unrealistic to expect that the committee can make very much progress during this short session, in view of the work that the other committees, already set up and in the process of being set up, have to complete during this session.

IMMEDIATE ORGANIZATION

It was felt that it might be advisable to have the committee set up now with the proper terms of reference, and let it get organized and make a start on its work. This would probably save some time at the next session, when it will have to be reconstituted and can then proceed, I hope for a longer period, with the important work it will be required to do under the terms of reference. I hope to have a word with the Leader of the Opposition (Mr. Drew) and the Leaders of the other groups about that matter perhaps in the course of the day and to be able to place my notice on the Votes and Proceedings so that it may come before the House in due course.

Mr. Drew: In view of the fact that the Prime Minister has referred to a discussion which took place in his office on October 17, I would point out that the terms of reference will, of course, decide the effectiveness of the motion; and I trust that, as he has indicated, the terms of reference will embrace the type of inquiry that we had in mind. I would point out, however, that I would hope the committee will be one which will continue during each session; and therefore the sooner the committee in this case starts its activities, the more effective will be the beginning during this present session. Then in the next session it can start from there to deal with the matters that are brought before it up to the actual date of the meetings or sittings of that committee.



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WEEK'S EVENTS IN REVIEW

OLD AGE SECURITY: The federal Government's Old Age Security Plan, involving payment of \$40-a-month pensions to all over 70 years of age, commencing January 1952, is to be paid for by a new two per cent levy on the taxable income of all individuals and corporations plus two per cent of the present 10 per cent sales tax, the Minister of Finance, Mr. Douglas Abbott, announced in the House of Commons October 25 after the Minister of National Health and Welfare, Mr. Paul Martin, had explained in detail the provisions of the bill.

The three taxes supporting the fund are expected to yield \$300,000,000 to \$310,000,000 annually, which will go into a special fund to be called the Old Age Security Fund. The scheme goes hand-in-hand with old age assistance of the same amount -- but with means test -- going into effect at the same time for those aged 65 to 69 in provinces that conclude agreements with the federal Government. The federal Government has offered to pay to the provinces one half the cost of their means-test pensions.

The over-all additional cost to the federal treasury of the new system will be around \$250,000,000 next year, and under the new arrangement, Mr. Abbott pointed out, the federal Government will be paying out for old age pensions and assistance about \$1,000,000 for every day of the year.

In explaining the main features of his bill, Mr. Martin said the only requirement for eligibility other than age of 70 years was that of a reasonable residence period in Canada.

"Applicants," he said, "will be required to show that they have resided in Canada for 20 years continuously immediately prior to making application for pension. Alternatively, they will be able to qualify if they can show that they have lived in Canada prior to the last 20 years for periods of time at least double the periods of their absences from Canada during the last 20 years.

"This latter group of applicants will also be required to show some recency of attachment to Canada, to the extent of one year's residence in the country immediately prior to the date of application...."

Benefits, he said, would be payable to aged Indians and Eskimos on exactly the same basis as to other persons; disability pensioners and recipients of war veterans allowances would be eligible to apply, subject to the same conditions and on the same basis as the other groups mentioned.

Benefits in all cases would be provided as a matter of right, without any form of means test. There would be no provision for subsequent recovery out of the estate of a deceased pensioner, nor for any liens to be

SMALL DEFICIT ON FOREIGN TRADE: Canada had a small overall deficit on foreign trade account with all countries of \$3,900,000 in August as compared with a credit balance of \$7,900,000 in July, and a debit balance of \$6,600,000 in the corresponding month last year. The August deficit was far below those in the first half of the year, the debit balance in the first eight months of the year amounting to \$335,800,000 as compared with only \$14,300,000 in the like period of 1950.

Imports from all countries in August were valued at \$357,500,000, more than one-third larger than in the corresponding month last year, while the cumulative total for the first eight months of the year was up 43% to \$2,830,500,000 from \$1,979,800,000 a year ago. Total exports rose 32% in the month to \$353,600,000 against \$260,600,000 and in the eight months were up 27% to \$2,494,700,000 from \$1,965,500,000.

The statistics of exports do not include defence equipment or supplies transferred by Canada to North Atlantic Treaty countries under the Defence Appropriation Act. Value of these shipments in August was \$38,226,420, and for the eight months of the year amounted to \$99,646,064. Shipments in 1950 were: December, \$12,860,843; and November, \$43,889,157.

INCREASE IN VOLUME

An increase in volume accounted for somewhat more than half of the rise in value of August imports over a year earlier, the import volume being 15% greater and prices of imports 14.7% higher, according to the price and volume indexes compiled by the Bureau. In the case of domestic exports, the volume increased 19.8% and prices averaged 13.5% higher.

Import balance on foreign trade with the United States in August was \$33,700,000 -- substantially larger than last year's August deficit of \$2,500,000, but below all earlier months this year except July. In the first eight months of this year the debit balance was \$407,700,000 as against \$90,000,000 in the same period of 1950.

Total exports -- domestic and foreign -- to the United States in August rose to \$195,800,000 from \$170,000,000 in the same month last year, and in the eight months aggregated \$1,527,600,000 as against \$1,257,800,000. Imports in the month increased to \$229,500,000 from \$172,600,000, and in the eight-month period added up to \$1,935,300,000 as against \$1,347,700,000.

Export balance in shipments to the United Kingdom in August was \$27,600,000, only slightly under the peak for the year of \$30,800,000 in July, and sharply larger than last year's favourable balance of \$8,500,000. The cumulative credit balance for the first eight months of the year was \$88,000,000 as against \$61,100,000 a year ago.

Total value of domestic and foreign exports to the United Kingdom advanced in the month to

\$66,600,000 from \$42,800,000 a year earlier, and in the eight months to \$395,000,000 from \$315,200,000. Imports rose in August to \$39,100,000 from \$34,300,000, and in the eight-month period the value rose to \$307,000,000 from \$254,200,000.

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MONTREAL PASSES MILLION MARK: Preliminary population totals for Montreal, Quebec, Ottawa, Winnipeg, Edmonton, Calgary and Vancouver, included in the fourth list of 1951 Census figures released October 24 by the Bureau of Statistics, show increases since 1941 among these seven major cities ranging from five to 69% for city proper areas, and -- with one exception -- considerably larger rates of increase for their metropolitan areas.

Population of Montreal rose over the million mark to 1,002,703 from 903,007 in 1941, a gain for the city proper of 100,000 or 10%, while that of the Montreal metropolitan area climbed 20% to 1,370,044 from 1,145,282.

Vancouver's city population increased nearly 24% to 340,272 from 275,353 and the metropolitan area population almost 39% to 524,339 compared to 377,447 10 year ago.

Winnipeg had a relatively small increase of five per cent to 233,617 from 221,960 within city boundaries, but with the adjacent areas the population was up 17 per cent to 350,924 from 299,937.

Next of the seven in size, Ottawa's population advanced to 198,773 from 154,951, up about 28%, while the population of the Ottawa metropolitan area increased by a smaller 23% to 278,078 compared to 225,466. This exception to the trend in the other six is due to the recent enlargement of the city boundaries.

Showing the greatest proportionate increase of the seven, Edmonton's population jumped to 158,709 from 93,817 ten years ago, a gain of 69%, the population of its metropolitan area rising 76% to 172,112 from 97,842. Calgary was next in degree of gain with an increase of 42% to 126,631 from 88,904 within the city boundaries, and of 47% to 136,719 from 93,021 for the metropolitan area.

In similar pattern, the population of Quebec City increased to 161,439 from 150,757 and of its metropolitan area to 271,236 from 224,756, gains of seven and 21% respectively.

Next largest in the current list, Regina's population increased to 69,928 from 58,245 in 1941.

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WHOLESALE PRICES LOWER: General wholesale prices moved lower in September for the second successive month, according to price indexes compiled by the Bureau of Statistics. Wholesale prices of Canadian farm products also moved down in the same period.

The general index number of wholesale prices, on the base 1935-39=100, fell to 240.1 in September from 241.5 in August and 244.2 in July.

(Continued from p.1)

OLD AGE SECURITY

placed against his property. The programme would be administered exclusively by the federal Government and would be its exclusive financial responsibility. The proposed new plan, he said, stood "in the very forefront of all comparable programmes throughout the world today."

Through amendments to be introduced to the Government Annuities Act, facilities would be offered to permit individuals or groups purchasing government annuities to integrate their annuity purchase plans with their old age pensions in such a way as to provide a substantially higher monthly amount on retirement than hitherto had been possible.

Mr. Martin expected almost complete registration of applicants by the end of the year, and, he said, as of October 24, the Department was in a position to put into pay immediately approximately 494,000 claims out of an anticipated 700,000.

The present measure, he said, was part of Canada's answer to the challenge of Communism.

MINISTER OF FINANCE

The Minister of Finance spoke, in part, as follows in explaining how the cost of the plan is to be met:

"It is proposed that the Old Age Security Act will impose these three kinds of taxes and they will be levied on what for convenience I might describe as the 2-2-2-formula. This means a 2 per cent sales tax, a 2 per cent personal income tax and a 2 per cent tax on corporate profits.

"The 2 per cent sales tax levied in the Old Age Security Act will not be in addition to the present 10 per cent sales tax. Concurrently with the enactment of this tax in the Old Age Security Act, effective January 1, 1952, provision will be made for a reduction from 10 per cent to 8 per cent in the rate under the Excise Tax Act. In effect, a 2 per cent sales tax is being transferred from one act to another with no change in the over-all rate. I estimate the revenue from this source should amount to about \$145 million next year.

"The sales tax more nearly approaches the ideal levy for financing social security than any other tax in our system. Where under social security provisions the benefits are to be universal it is only right that contributions to the fund should likewise be universal. Income tax, incidentally, reaches, I believe, only about half of our working population. It seems clear that all should take at least some part, however small, in making provision against need.

"Contrary to much that has been said in this House and elsewhere about our sales tax, it does not discriminate against low income

groups. The figures which I placed before the House last spring show that in the lower ranges of income the tax is progressive rather than regressive. What is frequently overlooked is that practically all foods are exempt from sales tax, all fuel is exempt, building materials are exempt, and through wide income ranges not more than one-third of consumer expenditure is on goods subject to sales tax.

"The proposed personal income tax will be in addition to the tax at present in force. A special levy of 2 per cent on taxable income will be imposed with a ceiling of \$60 on the amount of the tax. That is to say, the social security tax will be 2 per cent of taxable income or \$60 a year, whichever is the lesser. The intention is to have a separate item on the income tax form identifying this special tax. This will not come into force until July 1, 1952. For the first year as a whole, then, the tax will be only 1 per cent with a limit of \$30. The change in the withholding rate by employers will be on the basis of a 2 per cent tax commencing in the middle of the year....

TO DISCARD SURCHARGE

"My present intention in my next budget is to discard the device of the surcharge and to embody direct in the income tax structure such a level of taxation as appears to be necessary in the light of the situation next spring. Whatever seems necessary at that time will constitute the new rate structure....

"The point I should make quite clear is that whatever happens to the ordinary income tax--whether it is abolished completely, cut in half, or doubled--there will be in existence a 2 per cent special tax for old age security. The same thing, of course, applies to the 2 per cent sales tax and the 2 per cent tax on corporate profits. On a full year basis, this 2 per cent additional on taxable income of individuals should yield approximately \$95 million.

"The third item of revenue in the Old Age Security Act will be an additional 2 per cent on corporate profits effective January 1, 1952. It is expected that this tax will produce approximately \$65 million in a full year....

"I have made no secret of my concern over a system of taxation under which more than half of company profits are taken away by governments. The effects on incentive and efficiency can be extremely dangerous at a time when maximum output and economy in operations is so important as it is today. As in the personal income tax field, my intention is to recommend the repeal of the surcharge as such, on corporations in my next budget and I shall decide in the light of circumstances at that time, what rate structure to recommend for the calendar year 1952...."

TOKYO FISHERIES CONFERENCE: Following informal discussions during the past few months the Governments of Canada and the United States have accepted the invitation of the Japanese Government to attend a tripartite conference on North Pacific Fisheries in Tokyo, commencing November 5, 1951. It is hoped that the representatives of the three Governments may at the conference agree upon a tripartite fisheries agreement for the North Pacific Fisheries of concern to the three nations.

In convening the conference the Japanese Government is carrying out the provisions of Article 9 of the Treaty of Peace by which Japan agreed to enter promptly into negotiations with the Allied Powers so desiring for the conclusion of agreements providing for the regulation or limitation of fishing and the conservation and development of fisheries on the high seas.

The Canadian delegation will be headed by the Minister of Fisheries, Mr. R.W. Mayhew, and will include Stewart Bates, Deputy Minister of Fisheries; S.V. Ozere, Director, Legal Services, Department of Fisheries, both of Ottawa; Dr. J.L. Hart, Director, Pacific Biological Station, Fisheries Research Board of Canada, Nanaimo, B.C.; John M. Buchanan, chairman of the Salmon Cannery Operating Committee, Vancouver, and A.R. Menzies, Department of External Affairs, who is Canadian Liaison Officer in Japan.

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MANUFACTURING SETS NEW RECORD: Estimated gross factory value of products manufactured in Canada in 1950 reached an all-time peak total of \$13,781,220,000, a rise of 10% over the preceding year's value of \$12,479,593,000, according to a preliminary statement by the Bureau of Statistics.

Number of employees rose to an estimated 1,186,280 from 1,171,207 the year before, and estimated salary and wage payments advanced to \$2,762,258,000 from \$2,591,891,000. Cost of materials used in the process of manufacture was \$7,510,999,000 as against \$6,843,231,000 a year earlier.

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RETAIL SALES RISE: Consumer spending in retail establishments in August totalled \$863,840,000, an increase of seven per cent over last year's corresponding total of \$810,280,000. The advance in August followed a gain of five per cent in July.

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CBC UKRANIAN LANGUAGE BROADCASTS: In reply to a question by Mr. John Lecore, Vegreville, the Secretary of State for External Affairs, Mr. Pearson, stated in the House of Commons October 26 that the CBC International Service will be inaugurating short wave broadcasts in the Ukrainian language and is now making the necessary preliminary arrangements.

CURRENT EMPLOYMENT: Registrations for work at National Employment Service offices during recent weeks have been running at about the same level as they were a year ago. During most of September they were somewhat lower than for the same period last year while in the first week in October they have been slightly higher at around 135,000. This recent increase compared with last year is due to generally less favourable employment conditions in Ontario and British Columbia which more than offset an improved situation in the Maritimes, Quebec and Prairie Provinces.

Lay-offs and short-time work continue to occur in industries producing automobiles and parts, refrigerators, stoves, washing machines, other electrical appliances, textiles, furniture and various steel-using products.

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EXPORTS TO U.K. RISE: A summary of foreign trade figures for September released by the Bureau of Statistics shows a rise in the value of Canada's total domestic exports to \$320,100,000 from \$279,100,000 in September, 1950, and an increase in estimated total imports to \$311,800,000 from \$279,700,000.

Domestic exports to the United States fell to \$186,700,000 as against \$192,800,000, but to the United Kingdom rose to \$52,500,000 compared to \$30,400,000. Estimated imports from the United States amounted to \$212,800,000 as compared with \$177,400,000, and from the United Kingdom totalled \$28,600,000 compared to \$36,200,000.

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CANADA SAVINGS BONDS: Reports of Payroll sales covering the first 8 days of the Canada Savings Bond campaign showed combined sales figures of \$89,864,700 - an increase of \$15 millions over last year's record at the same date. Recorded totals of Payroll Savings on October 24 stood at \$66,974,400 from 264,431 employees. In comparison with the same period last year the number of purchases in this category were up 8% and the dollar amount up 16%.

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"MAGNIFICENT" RETURNS: The return of the Magnificent and Micmac to Halifax on October 24 terminated what Navy officials consider to be one of the most fruitful training cruises yet undertaken by ships of the RCN.

Since leaving Halifax August 7, the Magnificent and Micmac have covered 13,260 miles in the Atlantic and Mediterranean. For most of the two-and-a-half months they were in the Mediterranean, exercising with Royal Navy units in the vicinity of Malta, then with ships of the British and French fleets off the south of France.

BUDGETARY SURPLUS \$513,200,000: The Government's budgetary surplus increased by \$11,200,000 in September, bringing the total to \$513,200,000 for the first six months of the fiscal year, it was announced October 27 in the Comptroller of the Treasury's statement for September and the half-year.

Revenues for the month of September, as shown in the statement, exceeded expenditures by \$11.2 million as compared with \$93.0 million in August. In September 1950, the excess of revenue over expenditure was \$3.3 million, and the accumulated budgetary surplus for the first six months of 1950-51 was \$296.0 million.

Revenue collections in September totalled \$288.3 million compared with \$214.4 million in September, 1950. For the first six months, revenues amounted to \$1,805.3 million, compared with \$1,281.4 million for the same period of the previous fiscal year, an increase of \$523.9 million.

INCOME TAX COLLECTIONS

Individual income tax collections for the first six months of the fiscal year were \$151.3 million higher at \$465.8 million due in part to higher levels of personal incomes and in part to the defence surcharge imposed in the April 1951 budget. Corporation income tax receipts for the six-month period were \$201.6 million higher than last year, the total of \$512.4 million reflecting higher corporate earnings in 1950 and 1951 and the increased tax rates imposed in the September 1950 and April 1951 budgets. Customs import duties increased \$53.2 million due to the continuing high level of imports. Excise tax collections were \$152.6 million greater than in the comparable period of 1950-51 reflecting increased consumer expenditures, higher prices, and the increased tax rates imposed in the 1951 budget.

Total expenditures of the Government for the month of September were \$277.1 million compared with \$221.0 million in August 1951 and \$211.1 million in September, 1950. The increase of \$66.0 million over the total for September 1950 was due mainly to an increase of \$53.2 million in expenditures of the Department of National Defence.

Expenditures of the Department of National Defence amounted to \$93.2 million in September and \$458.2 million in the first six months of the fiscal year. This compares with total appropriations for this Department of \$1,614 million for the year as a whole. Expenditures of the Department of Defence Production, for which there was no comparable item last year, totalled \$11.7 million for the six-month period, compared with total appropriations of \$115 million for the fiscal year. The monthly rate of defence expenditures in the second quarter of the fiscal year increased to \$96 million from a monthly average of \$60.5 million in the first quarter. The Minister of Finance, Mr. Abbott, again pointed out that

although defence expenditures are continuing to increase, they do not as yet reflect fully the accelerated programme approved by Parliament.

Non-defence expenditures amounted to \$822.2 million for the first six months of the current fiscal year and were \$12.7 million less than the total of \$834.9 million for the corresponding period in 1950-51.

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PROGRESS IN SOCIAL WELFARE: Speaking before the Richelieu Club of Quebec on October 31 on, "Canada's Programme of Family Allowances," the Minister of National Health and Welfare, Mr. Paul Martin, listed what he termed the five landmarks of social progress: Unemployment Insurance Act, 1940; Family Allowances Act, 1944; The Veterans' Charter, 1944-45; The National Health Programme, 1948; and Old Age Security, 1951.

"Family Allowances have achieved exactly what they were designed to do. They have brought about a considerable redistribution of wealth from those with large incomes -- or with moderate incomes and relatively small family responsibilities -- to moderate and lower-income families with dependent children. There has also been a marked redistribution of wealth from the more prosperous to the less prosperous provinces, and from urban to rural areas -- helping to offset the shortage of essential services for children in rural Canada," he said.

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STUDIES FOR TOP RANKING SOLDIERS: A two-day study period for 14 of Canada's top ranking soldiers will be held at the Canadian Army Staff College, Kingston, during the month of December, Army Headquarters announced October 29.

Conducted by Chief of the General Staff, Lt.-Gen. G.G. Simonds, CB, CBE, LSO, CL, the study period will be attended by commanders and officers of general rank from both the Active Force and the Supplementary Reserve, together with certain advisers from Army Headquarters. Its purpose is to keep senior commanders of both the Active and Reserve components of the Army familiar with the complex tactical and administrative problems to be found in all phases of modern warfare.

This is the first of a series of such exercises which will be conducted from time to time.

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GOVERNOR-GENERAL'S TERM EXTENDED: The Prime Minister, Mr. St. Laurent, announced on October 26, in Ottawa, that His Majesty the King had been pleased to approve the extension of the term of office of His Excellency Field Marshal Viscount Alexander of Tunis as Governor General of Canada until the Autumn of 1952.

"THE UNITED NATIONS TODAY AND TOMORROW"

MR. HEENEY'S TORONTO ADDRESS: The establishment of the North Atlantic Treaty Organization and the new authority vested in the General Assembly of the United Nations to act in the face of aggression have added materially to the effectiveness of collective means for the maintenance of international peace and security, the Under-Secretary of State for External Affairs, Mr. A.D.P. Heeneey, declared in an address to a combined luncheon meeting of the Empire Club and the United Nations Association in Canada (Toronto Branch) on October 25. His subject was, "The United Nations Today and Tomorrow".

Directing the attention of his audience to the first principle of the United Nations Charter, the maintenance of international peace and security, Mr. Heeneey said it was in support of this provision that, in June of last year, the United Nations moved to stop aggression in Korea. It was almost certain, he stated, that at the forthcoming session of the General Assembly in Paris discussion of the Korean issue would lead to a general examination of the basic problem - the role of the United Nations in maintaining collective security.

"With certain other nations of the Free World," he said, "Canada, these past two years, has pressed on toward the objective of genuine collective security in two ways: first, by creating the North Atlantic Treaty Organization - NATO; second, by action within the United Nations itself to increase the United Nations capacity to deal effectively with acts of aggression.

"Within the United Nations the most significant step was the 'Uniting for Peace' resolution passed by the General Assembly, during its fifth session in November last. This resolution was a direct result of the Korean crisis. It was designed to meet the conditions of just such a crisis in which the Security Council might fail to discharge its responsibilities because of lack of unanimity among its permanent members.

"The core of this resolution was that 'if the Security Council ... fails to exercise its primary responsibility for the maintenance of international peace and security in any case where there appears to be a threat to the peace, breach of the peace, or act of aggression, the General Assembly shall consider the matter immediately'. The effect was to put much larger powers and much greater responsibilities in the General Assembly. From then on frustration in the Security Council needed not imply inaction and defeat; the Assembly had the right and duty to act....

"Canadians believe in the principle of collective security. And, because they believe in it, Canadians are willing to support responsible and reasonable proposals for giving

it effect. At the same time most of us recognize that the present world situation compels us to accept important practical limitations upon the universal application of the principle.

"First of all, we must face the fact that, now and as far ahead as we can see, the one world, which we all hoped for at the end of the Second World War, is unattainable. There seems to be no real prospect of our being able to establish friendly or even normal relationships with the Soviet world in the foreseeable future. Of course we should remain receptive to any genuine compromise which may be offered by the Soviet Union, but it would be folly, for us not to recognize that the present divisions in the world which result primarily from Soviet Russian policies, will continue for some time to come.

"The second limitation is that imposed by strategic considerations and the presently available military and economic resources of the free countries. We believe that aggression of all kinds everywhere should be frustrated. But we are by no means certain that the Free World yet disposes of the strength necessary to give effect in every part of the world to this article of our faith. The blunt fact is that, in present circumstances, unlimited collective security everywhere, because of the dispersal of resources involved, might mean no real security anywhere. On the other hand, failure to stand by the principle of collective security and seek to enforce it in any clear case of aggression would strike at the base of confidence on which the United Nations is founded.

"If the United Nations is to avoid this dilemma; if it is to avoid a fatal dispersal of strength and at the same time maintain support for the essential security obligations of the Charter then the most careful judgment must be exercised on each occasion. Our representatives in the United Nations will have to make a deliberate calculation of the moral and strategic factors present in each particular issue involving aggression or threat of aggression. These decisions will be difficult especially because they will often have to be made rapidly and without very thorough examination....

"There can be little doubt that the United Nations intervention in Korea has given new validity to the principle of collective security and added new strength to the United Nations itself. Furthermore the experience gained in the organization of collective United Nations action, in the establishment and operation of a United Nations Command, and in the provision and maintenance of United Nations Forces will certainly prove valuable in the future...."



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WEEK'S EVENTS IN REVIEW

MR. PEARSON'S WORLD REVIEW: Canadian action necessary to the construction of a Canadian seaway will be pressed "without any delay," the Secretary of State for External Affairs, Mr. Pearson, announced in the House of Commons October 22 at the outset of his annual review of world affairs.

"We would like to see that seaway built as an international project as a witness to our good neighbourhood and close co-operation," he said in commenting on Canada-U.S. friendly relations. "That, however, has not been possible, and the action, or rather the inaction, of the United States Congress, which adjourned last Saturday night, shows, I think, that it is not going to be possible to secure agreement with the United States on this matter at an early date. Therefore we are prepared to recommend that this seaway should be built by Canada, and we shall soon request and expect to receive that co-operation from the United States Government which it must be remembered is required under the Boundary Waters Treaty."

He outlined the steps remaining to be taken by Canada and the United States before the sanction of both Governments could be forthcoming, and stated that:

"So far as Canadian action is concerned, that part of it which is a responsibility of the federal Government will be pressed without any delay."

In a 75-minute address, Mr. Pearson touched on the international situation -- in which he found a little general improvement -- Commonwealth relations, North Atlantic Pact, the Middle East, Korea, Japan and the United Nations, which many felt was now "either at or coming close to the crossroads."

In his general summary of the international situation he said:

"I think myself that there has been a little general improvement in the international situation in the last six months. I doubt, however, whether there has been any substantial easing of world tension in any respect. It is true I think that in the countries of western Europe, which I had the privilege of visiting this summer, and where I discussed with those concerned with foreign affairs the possibilities and dangers that lie ahead, it is true in those countries morale is higher, and the persistent and pressing fears of an immediate armed aggression seem to have lessened somewhat."

"Against this possible brightening of the picture in one area is the fact that in the Middle East, there are grave and growing dangers to stability and peace, and that in the Far East the aggressive forces of communist Imperialism remain as militant and as defiant as ever. Even in Western Europe itself, the danger of military aggression is ever present,

AUTO SALES DOWN 10 P.C.: Factory shipments of Canadian-made motor vehicles fell in August for the third consecutive month, the decline from a year earlier amounting to 10 per cent as compared with reductions of 25 per cent in July, and 13 per cent in June. With substantial gains in each month from January to May, cumulative shipments for the first eight months of the year were 17 per cent above the same period of 1950.

Shipments of made-in-Canada vehicles in the month totalled 21,833 as against 24,272 in August last year, bringing the eight-month total to 299,902 units compared with 256,168. Vehicles for the domestic market in August were down to 16,416 from 22,652, but in the eight months were higher at 271,003 against 236,009. Shipments of vehicles for export were up in the month to 5,417 from 1,620, and in the eight months to 28,899 from 20,159.

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FARM PRICES FALL: Farm prices of agricultural products fell in August from the all-time peak reached in July, but were above last year's August level, according to the Bureau's monthly index number. The decrease from July was the first since October last year, and was largely a result of lower advance payments for grains in western Canada, and declines in livestock prices, especially hogs.

All-Canada index number for August this year was 284.7 as compared with 294.3 in July and 261.0 in August, 1950.

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AIR EXERCISE WITH U.S.A.F.: The RCAF's 416 Fighter Squadron, based at Uplands, near Ottawa, is to take part in a three-day training exercise being carried out by the USAF's Central Air Defence Force, Kansas City, Missouri, it was announced October 22 by Air Force Headquarters, Ottawa, and by the USAF. The squadron will be based at Minneapolis, Minn., during the exercise.

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R.M. BROPHY PRODUCTION CO-ORDINATOR: The Minister of Defence Production, Mr. Howe, has announced the appointment of Reginald M. Brophy as Co-ordinator of the Production Branch of the Department of Defence Production. Mr. Brophy, a prominent Canadian industrialist, is Chairman of the Board and President of Rogers Majestic Electronics Ltd., and President of the Canadian Radio Manufacturing Corp., Toronto. He is also a director of the Canadian Industrial Preparedness Association.

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CANADA SAVINGS BONDS: Sales of Canada Savings Bonds were announced as \$5,740,650 for the first three days of the campaign, as compared with just over \$3 millions for the first three days in last year's campaign.

PETROLEUM OUTPUT UP SHARPLY: Output of refined petroleum products by Canadian refineries increased 20 per cent in June over the same month last year, and advanced 16 per cent in the first six months of the year. Overall receipts of crude rose 21 per cent in the month and 20 per cent in the half-year. Inventories of refined products at the refineries at the beginning of July were 21 per cent larger than a year earlier.

Receipts of domestic crude were sharply higher in the month, rising 116 per cent over a year earlier, while imported crude receipts fell six per cent. In the half-year, receipts of Canadian crude advanced 50 per cent, while imported crude rose by a moderate 10 per cent. The result was that domestic crude accounted for almost 40 per cent of total supplies in June against 22 per cent a year earlier, and 32 per cent in the half-year as against 24 per cent in the first six months of 1950.

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SABRE AIRCRAFT FOR OVERSEAS: Personnel and Sabre aircraft of the RCAF's 410 fighter squadron will sail for the United Kingdom aboard the aircraft carrier HMCS Magnificent (Captain K.L. Dyer) November 3, it was announced October 18 by the Department of National Defence. This will be the first RCAF fighter squadron to go overseas with Canadian-built aircraft.

The Magnificent, which returned to Halifax October 24 from a highly successful training cruise in the Mediterranean, disembarked her naval air squadrons to the RCN Air Station at Dartmouth, N.S., in order to provide hangar space and accommodation for the RCAF aircraft and personnel.

On October 30 the Magnificent will sail for a United States port to embark the F-86 Sabres of 410 Squadron, the aircraft having been cocooned at the U.S. Navy base there for the ocean voyage.

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EMPLOYMENT AT PEAK: Industrial employment and payrolls both reached new all-time peak levels at the beginning of August, according to the monthly review by the Bureau of Statistics. Moderate improvement in employment as compared with July was shown in all provinces except Ontario where the decline was of a minor nature. Industrially the movements showed some variation.

The general index number of employment, on the base 1935-39=100, moved up to 184.3 as compared with 183.6 at July 1, and 172.5 a year earlier, and the payrolls index rose to 393.8 as against 392.5 at July 1 and 332.5 at the beginning of August last year. Per capita weekly earnings, at \$50.14, declined slightly from July 1, but rose \$4.99 over August last year.

THE WEEK IN PARLIAMENT

DEFENCE PRODUCTION REPORT: Canada is making good progress toward her defence production goals and within the next 12 months will undoubtedly reach a rate of expenditure of between \$100,000,000 and \$125,000,000 per month, the Minister of Defence Production, Mr. C.D. Howe, told Parliament October 19.

Mr. Howe said that the Canadian production programme is in about the same position as that of the United States -- emerging from the tooling stage. We are now placing orders at a rate approaching \$200,000,000 per month, and making cash outlays for procurement of \$70,000,000 to \$80,000,000 per month.

"In addition to the production of military end items," he also said, "Canadian industry is pursuing another programme which I am firmly convinced is of equal importance. I refer to the development of the many strategic materials which are to be found in Canada. None of us know how long this rearmament period may last. But it is obvious that if we are to maintain and expand our own industries, while at the same time making available to our allies strategic materials that are in world wide short supply, we must do everything possible to develop these materials as rapidly as possible."

BASIC RESOURCES

"As the programme is now planned, nearly \$1½ billion will be spent on the development of basic resources of iron ore, non-ferrous metals, petroleum and bulk chemicals for the period 1950-1955. This figure will probably be even higher because of other projects still in the planning stage. In addition, \$1 billion will be spent on the development of hydro-electric power...."

Of Canada's aircraft programme, he said:

"The Canadian military aircraft programme, as presently planned, will cost approximately \$1,200 million. This amount is equivalent to roughly one-third of the total Canadian defence procurement programme. Several types of aircraft are being manufactured or rebuilt.

"Production of the F86E Sabre jet interceptor fighter is already well under way. One hundred and twenty-two of these aircraft have come off the production line, as of the beginning of this week, and 72 of these have been delivered to the R.C.A.F. Future delivery schedules depend primarily upon the rate at which we are able to obtain engines from the United States...."

Shipbuilding programme:

"Outlays on the construction of naval vessels and repair and maintenance being undertaken on behalf of the Royal Canadian Navy will result in expenditures of from \$150 to \$200 million between April 1, 1951, and March 31, 1953. In addition contracts are being discussed with Canadian manufacturers for torpedoes to a value of some \$39 million...."

Guns and ammunition:

"Production is already under way on 50 calibre ammunition and 3.5 inch and 2.25 inch rockets for Canadian armed forces. Deliveries of the 3-inch 50 calibre gun to the United States and Canadian navies will begin in December. By the end of the current fiscal year production will have commenced on the anti-submarine mortars and on practically all the large and medium calibre guns, mortars and ammunition required by our armed forces...."

After touching on the mechanical transport programme, the Minister noted that the total Canadian electronics programme as tentatively outlined amounted to \$560,000,000. Of this, \$110,000,000 was for gear for F86E and CF-100 aircraft and the balance included costs of receiving and transmission sets and radar equipment for all three services.

RADAR SCREEN EQUIPMENT

"Canadian plants," he said, "are now being called upon to produce the bulk of the equipment to be installed in the North American radar screen and to furnish the equipment necessary to complete the network of communications vital to the defence of this continent. Because of the development required in this programme before production can be undertaken, it is unlikely that its full impact will be felt by industry until the last months of 1952."

Contracts being administered or in process of being placed by Defence Construction, Limited would amount to \$440,000,000 from April, 1951 to March, 1954; a \$300,000,000 clothing and textile programme was making rapid progress; \$17,000,000 worth of machine tools had been purchased in the first five months of the present fiscal year.

Stating that he had merely endeavoured to give an appreciation of progress, without too much detail, Mr. Howe said the progress made was such as to justify considerable satisfaction.

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MR. PEARSON ON EGYPT: The Secretary of State for External Affairs, Mr. L.B. Pearson, made a statement on the Egyptian situation in the House of Commons October 19. He said in part:

"So far as the Canadian Government is concerned, it regrets exceedingly the action taken by the Egyptian Government to repudiate the Anglo-Egyptian Treaty of 1936--action all the more regrettable in view of the fact that alternative arrangements were under discussion with the Egyptian Government at the time the repudiation took place.

"The Secretary of State of the United States has already characterized this repudiation and, indeed, also that of the agreements of

1899, regarding the Sudan, as without validity. We agree with that view.

"The situation which has developed in the Suez Canal zone is highly inflammable and can become dangerous to general peace. For that reason the Canadian Government joins other governments in expressing the earnest hope that every effort will be made to avoid any breach of the peace and to achieve a satisfactory arrangement for the security of the area.

"The Government has welcomed the assurances which we have received from the United Kingdom that, as we would naturally expect, they are doing their best and will continue to do their best to avoid incidents and violence. The Canadian Government considers it of major importance for the security of the free world, indeed for the maintenance of peace itself, that no action should be taken to alter by force the present regime of responsibility of the United Kingdom for the defence of the Suez Canal zone. These views have already been communicated to the United Kingdom Government."

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CANADIAN FORCES DOUBLED: The strength of the Canadian forces has more than doubled since April 1, 1949. Mr. Ralph Campney, Parliamentary Assistant to the Minister of National Defence, announced in the House of Commons on October 19.

Speaking in the debate on the Address in reply to the Speech from the Throne, Mr. Campney dealt extensively with the growth of man, sea and air power. He said in part:

"During the two and a half years since April 1, 1949, the strength of the Canadian forces--including the three branches--has more than doubled. In other words, it has risen from something like 41,500 to something over 84,000. Of those 84,000, over 35,000 have joined the services since the Korean war began in July, 1950. While these figures certainly form no basis for complacency, as many more men are needed, I believe they show, in a general way, continued and steady progress. But doubling the strength of the armed forces requires much more than just doubling the payroll. It means the reconditioning of training establishments, married quarters and other accommodation which was used in the last war. It means expanding a good deal of that accommodation, and it means the acquisition of new property and the construction of entirely new accommodation. These things take time....

"In the last two and a half years the army has increased from approximately 19,000 to about 45,000. Out of this increase of 26,000, the 25th Canadian Infantry Brigade now fighting under the flag of the United Nations in Korea and its replacements, have required 10,000; the 27th Brigade which, subject to the approval of this House--and with regard to which the Order in Council was tabled yester-

day seeking that--will shortly proceed to Europe, will, with its replacements require 8,000; and the remainder of these 26,000 have reinforced the ranks of the other training and administrative units required to serve the increased fighting formations and as the organizational basis for mobilization in an all-out emergency....

"On April 1, 1949, the navy had a total strength of approximately 8,000. Today that strength has risen to roughly 12,000. On April 1, 1949, the navy had about 15 ships in commission. Today there are in commission 28 ships, together with 28 other vessels ranging from auxiliary tankers to harbour vessels which are not commissioned ships. In addition, there are 24 other ships under construction at the present time, 7 of which are escort vessels. Furthermore, the contracts for another 7 escort vessels and 10 smaller craft have been let. A large programme is already in progress looking to the rearmament and refitting of existing Royal Canadian Navy ships in strategic reserve. In this connection more than 34 frigates and minesweepers have been brought out of reserve and at present are being reconditioned. As you know, since June, 1950, five destroyers have been employed in Korean waters. Of these, 3 have been at all times on duty there.

"Turning to the Royal Canadian Air Force, may I say that in 1949 there were 14,500 men in that force. Today, we have 27,500. Major projects in the earlier stages, of course, have been the reactivation of the airfields, provision of accommodation and the creation of training facilities, and all other incidentals necessary to and attendant upon the expansion of this service. On the training side, the objective is to train each year a total of 1,400 aircrew from other countries in the North Atlantic Treaty Organization. We are now training men from Belgium, France, Holland, Italy and Norway as well as the United Kingdom. In addition, the desire is to train 1,900 men for Canada.

"It may be of interest to the House that between 600 and 700 pilots, navigators and wireless operators, which constitute aircrew, and over 4,000 ground crew have thus far been trained in Canada by the Air Force. In addition it has trained or is training approximately 250 aircrew for NATO countries...."

* * * *

LABOUR INCOME SETS NEW RECORD: Canadian labour income reached a new peak of \$832,000,000 in July, a rise of \$7,000,000 over the previous high figure of \$825,000,000 in June, and exceeded by 18.2 per cent last year's July estimate of \$704,000,000. Cumulative total for the first seven months of this year was also at a new high of \$5,460,000,000 as against \$4,656,000,000 a year earlier, a gain of 17.2 per cent.

(Continued from p. 1)

MR. PEARSON'S WORLD REVIEW

while economic and social difficulties remain a constant threat to stability, and one which the forces of Soviet Imperialism are exploiting and will continue to exploit to the limit. Furthermore, if the strictly military picture has improved in the European area, that has been, I think, owing to the certain realization by any country which may now be tempted to break the peace that a group of free countries stand together in resistance to any such aggression, and that the ground on which they stand is becoming firmer. The moral to be drawn from this is therefore not that we should slacken our efforts, but that we should go ahead steadily and with determination to complete the job.

"There are two types of aggression that we have to fear. There is military aggression, expressing itself in armed action, but there is social and economic aggression which expresses itself through the subversive activity of international Communism. As to the first, military aggression, our military weakness--and in the face of Soviet land and air strength it is still a weakness--has been a standing temptation to Soviet attack. In strengthening ourselves, as we have done, and rightly so, to remove that temptation, we have, of course--and this I suppose applies particularly to the European countries--to be careful not to weaken ourselves unnecessarily in the economic and social field, and by doing so encourage the other kind of aggression.

PARAMOUNT PROBLEM

"How to maintain this proper balance in the days ahead between military power, economic stability and social progress is probably the paramount problem of the free world today....

"It may well be that the Soviet Union, impressed by the action of the United Nations in Korea, and aware of the far greater residual strength of the west, will now wish, for tactical reasons, to avoid an open conflict, and try to sap our strength by other means. It may even attempt--indeed it has already attempted and with some effect--to deceive and divide us by false peace campaigns, by exploiting economic and social difficulties. In short, as it has been put very graphically, it may put poison in our soup instead of cutting our throats.

"It is, I think, necessary for free countries to take counter measures against this danger as well as against the danger of military aggression. We should, for instance, never lose a chance to drive home the fact--it may be more obvious to us than it is to others--that we are for peace alone; that while we in NATO, for instance, are determined to press forward with our defence programme, undeterred either by threats of war or phony promises of peace, nevertheless our primary purpose is always to prevent war and not to fight one; to

ensure that D-day like tomorrow never comes; to underline our desire to use our energy and wealth not for arming but for peaceful, social and economic progress in a world where armaments will not be necessary.

"In the kind of situation with which we are faced today, it may be that if we have achieved our defence objectives by, say, the end of 1954, we will have surmounted the most acutely dangerous period; but that in its turn may be followed by the longer term phase of the conflict, the marathon race as opposed to the sprint, and that may last for many, many years. It will require discipline, steadiness and perseverance; a refusal also to yield to the temptation to adopt the policies or even the tactics of those who would destroy us. We must not only maintain, as a normal part of national activity, the level of defence effort required, but also prove to our own and other people that our civilization and our way of life are worthy of this effort.

The achievement of military and social strength, of short-term and long-term objectives, is now a main feature of the policy of every free state. To secure these objectives there must be mutual understanding and confidence. This can be blocked by a feeling, on the one hand, that there is an unequal sharing of the burden of defence. It can be blocked by a feeling on the other hand that there is an unequal sharing of the burden of existence..."

QUESTION OF GERMANY

On the question of Germany, he said:

"However desirable may be the integration of Western Germany in the European community, we must not forget, nor must the Germans forget, the fact that co-operation involves a sharing of responsibilities and that no encouragement should be given to any tendency in Germany to look upon the present negotiation as an opportunity to obtain unconditional guarantees of German security or to assume that we are willing to pay almost any price for German assistance in the defence of Western Europe, even to the extent of accepting with complacency neo-nazi tendencies."

What was happening in the Far East, he said, was another manifestation, if a distorted one, of national awakening. It would be folly to underestimate the strength of this movement or misunderstand the basis of its inspiration.

"The tragedy for these countries and a danger to themselves, and indeed to world peace," he said, "lies in their blind refusal to recognize that, in their anxiety to gain full control of their affairs by the elimination of foreign influence, they are exposing themselves to the menace of communist penetration and absorption--absorption into the Soviet sphere."

Our motto in Korea, he went on, might be, "Trust in Kaesong, but keep your powder dry."

He commended General Ridgway's handling of negotiations.

"Korea," he said, "is only one problem. There are other Asian questions. So far as we are concerned in this Government, we remain willing to discuss these other Asian questions with all those concerned, and to negotiate in respect of them through the United Nations."

The forthcoming session of the General Assembly in Paris, he said, might be a very significant one. He proceeded:

"There are a good many important subjects on the agenda, but even more important than the actual subjects on the agenda is, I think, the feeling in the minds of most Delegations which will attend this meeting that the United Nations is now either at or coming close to the crossroads."

"There are two main developments which lead me to say that. One is the division of the world which has now become hardened into competing and conflicting blocs, and which has been reflected at the last two Assemblies in every discussion there. If this is going to continue indefinitely, it certainly is going to undermine the usefulness of the Assembly as a universal organization. For that development we of the western world are not of course primarily responsible, but whoever is responsible is doing his part in undermining the foundations of our world organization. We are in danger of that organization becoming nothing more or less than an instrument in the cold war. We have to be on guard against that, because if it does become that then we will have completely altered the ideals which we had for this organization when we signed the Charter."

ANOTHER DANGER

"Another danger, and it seems to be an increasing one too, is that some members of the United Nations, and not always those who do the most to promote its principles, treat its resolutions almost with contempt. They certainly ignore them if they happen to be against their national policies, and if it becomes the accepted practice of this world organization that any resolution which is against the national interest of any member state can be ignored because of that fact, then it will not be very long before the United Nations will go the way of the League of Nations. We must be on guard against that development and do what we can to stop it."

"On the more positive side, the United Nations has shown of course in the last year since the last Assembly what it can do in stemming aggression in Korea...."

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"In addition to the citizens of Pakistan whose entry to Canada for permanent residence is thus authorized a citizen of Pakistan who can otherwise comply with the provisions of the Canadian Immigration Act may be admitted to Canada for permanent residence if he or she is the husband, wife, or unmarried child under twenty-one years of age of any Canadian citizen legally admitted to and resident in Canada and if the settlement arrangements in Canada are shown to the Canadian authorities to be satisfactory."

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CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

Vol. 6 No. 51

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WEEK'S EVENTS IN REVIEW

MR. PEARSON'S WORLD REVIEW: Canadian action necessary to the construction of a Canadian seaway will be pressed "without any delay," the Secretary of State for External Affairs, Mr. Pearson, announced in the House of Commons October 22 at the outset of his annual review of world affairs.

"We would like to see that seaway built as an international project as a witness to our good neighbourhood and close co-operation," he said in commenting on Canada-U.S. friendly relations. "That, however, has not been possible, and the action, or rather the inaction, of the United States Congress, which adjourned last Saturday night, shows, I think, that it is not going to be possible to secure agreement with the United States on this matter at an early date. Therefore we are prepared to recommend that this seaway should be built by Canada, and we shall soon request and expect to receive that co-operation from the United States Government which it must be remembered is required under the Boundary Waters Treaty."

He outlined the steps remaining to be taken by Canada and the United States before the sanction of both Governments could be forthcoming, and stated that:

"So far as Canadian action is concerned, that part of it which is a responsibility of the federal Government will be pressed without any delay."

In a 75-minute address, Mr. Pearson touched on the international situation -- in which he found a little general improvement -- Commonwealth relations, North Atlantic Pact, the Middle East, Korea, Japan and the United Nations, which many felt was now "either at or coming close to the crossroads."

In his general summary of the international situation he said:

"I think myself that there has been a little general improvement in the international situation in the last six months. I doubt, however, whether there has been any substantial easing of world tension in any respect. It is true I think that in the countries of western Europe, which I had the privilege of visiting this summer, and where I discussed with those concerned with foreign affairs the possibilities and dangers that lie ahead, it is true in those countries morale is higher, and the persistent and pressing fears of an immediate armed aggression seem to have lessened somewhat."

"Against this possible brightening of the picture in one area is the fact that in the Middle East, there are grave and growing dangers to stability and peace, and that in the Far East the aggressive forces of communist Imperialism remain as militant and as defiant as ever. Even in Western Europe itself, the danger of military aggression is ever present,

AUTO SALES DOWN 10 P.C.: Factory shipments of Canadian-made motor vehicles fell in August for the third consecutive month, the decline from a year earlier amounting to 10 per cent as compared with reductions of 25 per cent in July, and 13 per cent in June. With substantial gains in each month from January to May, cumulative shipments for the first eight months of the year were 17 per cent above the same period of 1950.

Shipments of made-in-Canada vehicles in the month totalled 21,833 as against 24,272 in August last year, bringing the eight-month total to 299,902 units compared with 256,168. Vehicles for the domestic market in August were down to 16,416 from 22,652, but in the eight months were higher at 271,003 against 236,009. Shipments of vehicles for export were up in the month to 5,417 from 1,620, and in the eight months to 28,899 from 20,159.

* * * *

FARM PRICES FALL: Farm prices of agricultural products fell in August from the all-time peak reached in July, but were above last year's August level, according to the Bureau's monthly index number. The decrease from July was the first since October last year, and was largely a result of lower advance payments for grains in western Canada, and declines in livestock prices, especially hogs.

All-Canada index number for August this year was 284.7 as compared with 294.3 in July and 261.0 in August, 1950.

* * * *

AIR EXERCISE WITH U.S.A.F.: The RCAF's 416 Fighter Squadron, based at Uplands, near Ottawa, is to take part in a three-day training exercise being carried out by the USAF's Central Air Defence Force, Kansas City, Missouri, it was announced October 22 by Air Force Headquarters, Ottawa, and by the USAF. The squadron will be based at Minneapolis, Minn., during the exercise.

* * * *

R.M. BROPHY PRODUCTION CO-ORDINATOR: The Minister of Defence Production, Mr. Howe, has announced the appointment of Reginald M. Brophy as Co-ordinator of the Production Branch of the Department of Defence Production. Mr. Brophy, a prominent Canadian industrialist, is Chairman of the Board and President of Rogers Majestic Electronics Ltd., and President of the Canadian Radio Manufacturing Corp., Toronto. He is also a director of the Canadian Industrial Preparedness Association.

* * * *

CANADA SAVINGS BONDS: Sales of Canada Savings Bonds were announced as \$5,740,650 for the first three days of the campaign, as compared with just over \$3 millions for the first three days in last year's campaign.

PETROLEUM OUTPUT UP SHARPLY: Output of refined petroleum products by Canadian refineries increased 20 per cent in June over the same month last year, and advanced 16 per cent in the first six months of the year. Overall receipts of crude rose 21 per cent in the month and 20 per cent in the half-year. Inventories of refined products at the refineries at the beginning of July were 21 per cent larger than a year earlier.

Receipts of domestic crude were sharply higher in the month, rising 116 per cent over a year earlier, while imported crude receipts fell six per cent. In the half-year, receipts of Canadian crude advanced 50 per cent, while imported crude rose by a moderate 10 per cent. The result was that domestic crude accounted for almost 40 per cent of total supplies in June against 22 per cent a year earlier, and 32 per cent in the half-year as against 24 per cent in the first six months of 1950.

* * * *

SABRE AIRCRAFT FOR OVERSEAS: Personnel and Sabre aircraft of the RCAF's 410 fighter squadron will sail for the United Kingdom aboard the aircraft carrier HMCS Magnificent (Captain K.L. Dyer) November 3, it was announced October 18 by the Department of National Defence. This will be the first RCAF fighter squadron to go overseas with Canadian-built aircraft.

The Magnificent, which returned to Halifax October 24 from a highly successful training cruise in the Mediterranean, disembarked her naval air squadrons to the RCN Air Station at Dartmouth, N.S., in order to provide hanger space and accommodation for the RCAF aircraft and personnel.

On October 30 the Magnificent will sail for a United States port to embark the F-86 Sabres of 410 Squadron, the aircraft having been cocooned at the U.S. Navy base there for the ocean voyage.

* * * *

EMPLOYMENT AT PEAK: Industrial employment and payrolls both reached new all-time peak levels at the beginning of August, according to the monthly review by the Bureau of Statistics. Moderate improvement in employment as compared with July was shown in all provinces except Ontario where the decline was of a minor nature. Industrially the movements showed some variation.

The general index number of employment, on the base 1935-39=100, moved up to 184.3 as compared with 183.6 at July 1, and 172.5 a year earlier, and the payrolls index rose to 393.8 as against 392.5 at July 1 and 332.5 at the beginning of August last year. Per capita weekly earnings, at \$50.14, declined slightly from July 1, but rose \$4.99 over August last year.

THE WEEK IN PARLIAMENT

DEFENCE PRODUCTION REPORT: Canada is making good progress toward her defence production goals and within the next 12 months will undoubtedly reach a rate of expenditure of between \$100,000,000 and \$125,000,000 per month, the Minister of Defence Production, Mr. C.D. Howe, told Parliament October 19.

Mr. Howe said that the Canadian production programme is in about the same position as that of the United States -- emerging from the tooling stage. We are now placing orders at a rate approaching \$200,000,000 per month, and making cash outlays for procurement of \$70,000,000 to \$80,000,000 per month.

"In addition to the production of military end items," he also said, "Canadian industry is pursuing another programme which I am firmly convinced is of equal importance. I refer to the development of the many strategic materials which are to be found in Canada. None of us know how long this rearmament period may last. But it is obvious that if we are to maintain and expand our own industries, while at the same time making available to our allies strategic materials that are in world wide short supply, we must do everything possible to develop these materials as rapidly as possible.

BASIC RESOURCES

"As the programme is now planned, nearly \$1½ billion will be spent on the development of basic resources of iron ore, non-ferrous metals, petroleum and bulk chemicals for the period 1950-1955. This figure will probably be even higher because of other projects still in the planning stage. In addition, \$1 billion will be spent on the development of hydro-electric power...."

Of Canada's aircraft programme, he said:

"The Canadian military aircraft programme, as presently planned, will cost approximately \$1,200 million. This amount is equivalent to roughly one-third of the total Canadian defence procurement programme. Several types of aircraft are being manufactured or rebuilt.

"Production of the F86E Sabre jet interceptor fighter is already well under way. One hundred and twenty-two of these aircraft have come off the production line, as of the beginning of this week, and 72 of these have been delivered to the R.C.A.F. Future delivery schedules depend primarily upon the rate at which we are able to obtain engines from the United States...."

Shipbuilding programme:

"Outlays on the construction of naval vessels and repair and maintenance being undertaken on behalf of the Royal Canadian Navy will result in expenditures of from \$150 to \$200 million between April 1, 1951, and March 31, 1953. In addition contracts are being discussed with Canadian manufacturers for torpedoes to a value of some \$39 million...."

Guns and ammunition:

"Production is already under way on 50 calibre ammunition and 3.5 inch and 2.25 inch rockets for Canadian armed forces. Deliveries of the 3-inch 50 calibre gun to the United States and Canadian navies will begin in December. By the end of the current fiscal year production will have commenced on the anti-submarine mortars and on practically all the large and medium calibre guns, mortars and ammunition required by our armed forces...."

After touching on the mechanical transport programme, the Minister noted that the total Canadian electronics programme as tentatively outlined amounted to \$560,000,000. Of this, \$110,000,000 was for gear for F86E and CF-100 aircraft and the balance included costs of receiving and transmission sets and radar equipment for all three services.

RADAR SCREEN EQUIPMENT

"Canadian plants," he said, "are now being called upon to produce the bulk of the equipment to be installed in the North American radar screen and to furnish the equipment necessary to complete the network of communications vital to the defence of this continent. Because of the development required in this programme before production can be undertaken, it is unlikely that its full impact will be felt by industry until the last months of 1952."

Contracts being administered or in process of being placed by Defence Construction, Limited would amount to \$440,000,000 from April, 1951 to March, 1954; a \$300,000,000 clothing and textile programme was making rapid progress; \$17,000,000 worth of machine tools had been purchased in the first five months of the present fiscal year.

Stating that he had merely endeavoured to give an appreciation of progress, without too much detail, Mr. Howe said the progress made was such as to justify considerable satisfaction.

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MR. PEARSON ON EGYPT: The Secretary of State for External Affairs, Mr. L.B. Pearson, made a statement on the Egyptian situation in the House of Commons October 19. He said in part:

"So far as the Canadian Government is concerned, it regrets exceedingly the action taken by the Egyptian Government to repudiate the Anglo-Egyptian Treaty of 1936--action all the more regrettable in view of the fact that alternative arrangements were under discussion with the Egyptian Government at the time the repudiation took place.

"The Secretary of State of the United States has already characterized this repudiation and, indeed, also that of the agreements of

1899, regarding the Sudan, as without validity. We agree with that view.

"The situation which has developed in the Suez Canal zone is highly inflammable and can become dangerous to general peace. For that reason the Canadian Government joins other governments in expressing the earnest hope that every effort will be made to avoid any breach of the peace and to achieve a satisfactory arrangement for the security of the area.

"The Government has welcomed the assurances which we have received from the United Kingdom that, as we would naturally expect, they are doing their best and will continue to do their best to avoid incidents and violence. The Canadian Government considers it of major importance for the security of the free world, indeed for the maintenance of peace itself, that no action should be taken to alter by force the present regime of responsibility of the United Kingdom for the defence of the Suez Canal zone. These views have already been communicated to the United Kingdom Government."

CANADIAN FORCES DOUBLED: The strength of the Canadian forces has more than doubled since April 1, 1949. Mr. Ralph Campney, Parliamentary Assistant to the Minister of National Defence, announced in the House of Commons on October 19.

Speaking in the debate on the Address in reply to the Speech from the Throne, Mr. Campney dealt extensively with the growth of man, sea and air power. He said in part:

"During the two and a half years since April 1, 1949, the strength of the Canadian forces--including the three branches--has more than doubled. In other words, it has risen from something like 41,500 to something over 84,000. Of those 84,000, over 35,000 have joined the services since the Korean war began in July, 1950. While these figures certainly form no basis for complacency, as many more men are needed, I believe they show, in a general way, continued and steady progress. But doubling the strength of the armed forces requires much more than just doubling the payroll. It means the reconditioning of training establishments, married quarters and other accommodation which was used in the last war. It means expanding a good deal of that accommodation, and it means the acquisition of new property and the construction of entirely new accommodation. These things take time....

"In the last two and a half years the army has increased from approximately 19,000 to about 45,000. Out of this increase of 26,000, the 25th Canadian Infantry Brigade now fighting under the flag of the United Nations in Korea and its replacements, have required 10,000; the 27th Brigade which, subject to the approval of this House--and with regard to which the Order in Council was tabled yester-

day seeking that--will shortly proceed to Europe, will, with its replacements require 8,000; and the remainder of these 26,000 have reinforced the ranks of the other training and administrative units required to serve the increased fighting formations and as the organizational basis for mobilization in an all-out emergency....

"On April 1, 1949, the navy had a total strength of approximately 8,000. Today that strength has risen to roughly 12,000. On April 1, 1949, the navy had about 15 ships in commission. Today there are in commission 28 ships, together with 28 other vessels ranging from auxiliary tankers to harbour vessels which are not commissioned ships. In addition, there are 24 other ships under construction at the present time, 7 of which are escort vessels. Furthermore, the contracts for another 7 escort vessels and 10 smaller craft have been let. A large programme is already in progress looking to the rearmament and refitting of existing Royal Canadian Navy ships in strategic reserve. In this connection more than 34 frigates and minesweepers have been brought out of reserve and at present are being reconditioned. As you know, since June, 1950, five destroyers have been employed in Korean waters. Of these, 3 have been at all times on duty there.

"Turning to the Royal Canadian Air Force, may I say that in 1949 there were 14,500 men in that force. Today, we have 27,500. Major projects in the earlier stages, of course, have been the reactivation of the airfields, provision of accommodation and the creation of training facilities, and all other incidentals necessary to and attendant upon the expansion of this service. On the training side, the objective is to train each year a total of 1,400 aircrew from other countries in the North Atlantic Treaty Organization. We are now training men from Belgium, France, Holland, Italy and Norway as well as the United Kingdom. In addition, the desire is to train 1,900 men for Canada.

"It may be of interest to the House that between 600 and 700 pilots, navigators and wireless operators, which constitute aircrew, and over 4,000 ground crew have thus far been trained in Canada by the Air Force. In addition it has trained or is training approximately 250 aircrew for NATO countries...."

* * * *

LABOUR INCOME SETS NEW RECORD: Canadian labour income reached a new peak of \$832,000,000 in July, a rise of \$7,000,000 over the previous high figure of \$825,000,000 in June, and exceeded by 18.2 per cent last year's July estimate of \$704,000,000. Cumulative total for the first seven months of this year was also at a new high of \$5,460,000,000 as against \$4,656,000,000 a year earlier, a gain of 17.2 per cent.

(Continued from p. 1)

MR. PEARSON'S WORLD REVIEW

while economic and social difficulties remain a constant threat to stability, and one which the forces of Soviet Imperialism are exploiting and will continue to exploit to the limit. Furthermore, if the strictly military picture has improved in the European area, that has been, I think, owing to the certain realization by any country which may now be tempted to break the peace that a group of free countries stand together in resistance to any such aggression, and that the ground on which they stand is becoming firmer. The moral to be drawn from this is therefore not that we should slacken our efforts, but that we should go ahead steadily and with determination to complete the job.

"There are two types of aggression that we have to fear. There is military aggression, expressing itself in armed action, but there is social and economic aggression which expresses itself through the subversive activity of international Communism. As to the first, military aggression, our military weakness--and in the face of Soviet land and air strength it is still a weakness--has been a standing temptation to Soviet attack. In strengthening ourselves, as we have done, and rightly so, to remove that temptation, we have, of course--and this I suppose applies particularly to the European countries--to be careful not to weaken ourselves unnecessarily in the economic and social field, and by doing so encourage the other kind of aggression.

PARAMOUNT PROBLEM

"How to maintain this proper balance in the days ahead between military power, economic stability and social progress is probably the paramount problem of the free world today....

"It may well be that the Soviet Union, impressed by the action of the United Nations in Korea, and aware of the far greater residual strength of the west, will now wish, for tactical reasons, to avoid an open conflict, and try to sap our strength by other means. It may even attempt--indeed it has already attempted and with some effect--to deceive and divide us by false peace campaigns, by exploiting economic and social difficulties. In short, as it has been put very graphically, it may put poison in our soup instead of cutting our throats.

"It is, I think, necessary for free countries to take counter measures against this danger as well as against the danger of military aggression. We should, for instance, never lose a chance to drive home the fact--it may be more obvious to us than it is to others--that we are for peace alone; that while we in NATO, for instance, are determined to press forward with our defence programme, undeterred either by threats of war or phony promises of peace, nevertheless our primary purpose is always to prevent war and not to fight one; to

ensure that D-day like tomorrow never comes; to underline our desire to use our energy and wealth not for arming but for peaceful, social and economic progress in a world where armaments will not be necessary.

"In the kind of situation with which we are faced today, it may be that if we have achieved our defence objectives by, say, the end of 1954, we will have surmounted the most acutely dangerous period; but that in its turn may be followed by the longer term phase of the conflict, the marathon race as opposed to the sprint, and that may last for many, many years. It will require discipline, steadiness and perseverance; a refusal also to yield to the temptation to adopt the policies or even the tactics of those who would destroy us. We must not only maintain, as a normal part of national activity, the level of defence effort required, but also prove to our own and other people that our civilization and our way of life are worthy of this effort.

The achievement of military and social strength, of short-term and long-term objectives, is now a main feature of the policy of every free state. To secure these objectives there must be mutual understanding and confidence. This can be blocked by a feeling, on the one hand, that there is an unequal sharing of the burden of defence. It can be blocked by a feeling on the other hand that there is an unequal sharing of the burden of existence..."

QUESTION OF GERMANY

On the question of Germany, he said:

"However desirable may be the integration of Western Germany in the European community, we must not forget, nor must the Germans forget, the fact that co-operation involves a sharing of responsibilities and that no encouragement should be given to any tendency in Germany to look upon the present negotiation as an opportunity to obtain unconditional guarantees of German security or to assume that we are willing to pay almost any price for German assistance in the defence of Western Europe, even to the extent of accepting with complacency neo-nazi tendencies."

What was happening in the Far East, he said, was another manifestation, if a distorted one, of national awakening. It would be folly to underestimate the strength of this movement or misunderstand the basis of its inspiration.

"The tragedy for these countries and a danger to themselves, and indeed to world peace," he said, "lies in their blind refusal to recognize that, in their anxiety to gain full control of their affairs by the elimination of foreign influence, they are exposing themselves to the menace of communist penetration and absorption--absorption into the Soviet sphere."

Our motto in Korea, he went on, might be, "Trust in Kaesong, but keep your powder dry."

He commended General Ridgway's handling of negotiations.

"Korea," he said, "is only one problem. There are other Asian questions. So far as we are concerned in this Government, we remain willing to discuss these other Asian questions with all those concerned, and to negotiate in respect of them through the United Nations."

The forthcoming session of the General Assembly in Paris, he said, might be a very significant one. He proceeded:

"There are a good many important subjects on the agenda, but even more important than the actual subjects on the agenda is, I think, the feeling in the minds of most Delegations which will attend this meeting that the United Nations is now either at or coming close to the crossroads."

"There are two main developments which lead me to say that. One is the division of the world which has now become hardened into competing and conflicting blocs, and which has been reflected at the last two Assemblies in every discussion there. If this is going to continue indefinitely, it certainly is going to undermine the usefulness of the Assembly as a universal organization. For that development we of the western world are not of course primarily responsible, but whoever is responsible is doing his part in undermining the foundations of our world organization. We are in danger of that organization becoming nothing more or less than an instrument in the cold war. We have to be on guard against that, because if it does become that then we will have completely altered the ideals which we had for this organization when we signed the Charter.

ANOTHER DANGER

"Another danger, and it seems to be an increasing one too, is that some members of the United Nations, and not always those who do the most to promote its principles, treat its resolutions almost with contempt. They certainly ignore them if they happen to be against their national policies, and if it becomes the accepted practice of this world organization that any resolution which is against the national interest of any member state can be ignored because of that fact, then it will not be very long before the United Nations will go the way of the League of Nations. We must be on guard against that development and do what we can to stop it.

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"In addition to the citizens of Pakistan whose entry to Canada for permanent residence is thus authorized a citizen of Pakistan who can otherwise comply with the provisions of the Canadian Immigration Act may be admitted to Canada for permanent residence if he or she is the husband, wife, or unmarried child under twenty-one years of age of any Canadian citizen legally admitted to and resident in Canada and if the settlement arrangements in Canada are shown to the Canadian authorities to be satisfactory.

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WEEK'S EVENTS IN REVIEW

IN PARLIAMENT: The House of Commons, on October 12, accepted a proposal by a committee that new sitting hours be tried out during the ensuing fortnight.

Instead of the 3 p.m. to 6 p.m. and 8 p.m. to 11 p.m. hours which the House has observed, the sitting hours for the week commencing October 15 were designated as from 1.30 p.m. to 7 p.m., without break.

For the week commencing October 22, the Speaker will take the chair at 2 p.m. daily and adjourn the House at 10 p.m. There will be a 6 to 8 p.m. dinner recess, and the House will adjourn at 6 p.m. Wednesday.

Toward the end of the second week the Committee is to bring in further recommendations on the basis of the fortnight's experiment.

At its opening business sitting the House also accepted a resolution introduced by the Minister of National Health and Welfare, Mr. Paul Martin, paving the way for old age security legislation. This resolution read:

"That it is expedient to introduce a measure to provide for the payment of pensions, without a means test, of forty dollars a month to persons who have attained the age of seventy years and have appropriate residence qualifications, and to establish a fund made up of special contributions levied for that purpose."

The Minister of Trade and Commerce, Mr. C.D. Howe, announced that there would be surpluses in excess of \$100,000,000 to dis-

tribute to western producers in respect of the 1950-51 wheat, oat and barley pools. He hoped these payments would be completed before December 1.

The Address in Reply to the Speech from the Throne was moved by Mr. Robert Cauchon, Beauharnois, and seconded by Mr. J.A. Simmons, Yukon-Mackenzie River.

Private members have placed on the order paper a number of resolutions. David Croll, (L.-Toronto Spadina) and John Diefenbaker (P.C.-Lake Centre) have sponsored resolutions calling for adoption of a Canadian bill of rights that would guarantee such things as freedom of religion, freedom of speech, freedom of the press and of radio.

George Cruickshank: (L.-Fraser Valley), urges increased basic pensions for all veterans of the Canadian armed forces.

Rev. Dan McIvor: (L.-Fort William) suggests that pensions of \$40 a month should be paid to all those who are incapacitated regardless of age.

Stanley Knowles: (CCF-Winnipeg North Centre) wants all medical expenses to be deductible for income tax purposes.

Rodney Adamson (PC-York West) urges that Ontario and New York state be given authority to go ahead with power developments on the international section of the St. Lawrence River, independently of the seaway development.

HOUSING AID: The Minister of Resources and Development, Mr. R.H. Winters, announced October 5 that Central Mortgage and Housing Corporation will take steps to encourage the building of houses for employees of companies exclusively engaged in defence production, and also to adjust the level of loans under the general operation of the National Housing Act so that equity or down payment requirements will be reduced.

Whereas earlier in the year the volume of new houses had been limited by the materials and building capacity available, this situation has now changed, said the Minister. Production of many materials has increased and that situation coupled with lower new residential starts in the last three months would make possible the encouragement of new housing.

He warned that such encouragement might well have inflationary tendencies and the Government has the responsibility to protect home owners against undue increases in the cost of houses. Therefore, both in respect to houses for defence workers and others, new financing terms would carry as a condition an agreed maximum sale price, and houses sold at a figure above such maximum sale price will not qualify for the additional financing now being introduced by the Government.

RENTAL INSURANCE PLAN

Central Mortgage will make loans under the Rental Insurance Plan for Housing to be rented to defence workers. Maximum rentals will be established and shall have effect for five years during which period all leases and renewals shall be limited to certified defence workers. These rental units may be rented to others only if defence worker tenants are not available. Loans for such rental insurance projects will be on an 85% basis.

To the extent that mortgage financing is not available from lending institutions for defence workers, Central Mortgage and Housing Corporation will be prepared to make direct loans. The Minister of Defence Production will from time to time designate defence plants to which these special housing arrangements are applicable.

To facilitate more housing starts for those other than defence workers, National Housing Act loans will be 80% of an agreed maximum sale price and the Rental Insurance Plan will be reinstated on an 80% basis.

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COMMISSIONER, YUKON TERRITORY: The Minister of Resources and Development, Mr. Winters, announced October 6 that Frederick Fraser, Assistant Chief, Lands Division, Northern Administration and Lands Branch of his Department has been appointed Commissioner of the Yukon Territory. Mr. Fraser succeeds A.H. Gibson, K.C. who is being appointed police magistrate.

POTENTIAL WHEAT SUPPLIES: Potential supplies of Canadian wheat for the 1951-52 crop year amount to 765.7 million bushels, comprised of carryover stocks of 186.4 million bushels and the new crop estimated at 579.3 million bushels on the basis of conditions at August 31, according to the monthly Wheat Review released by the Bureau of Statistics Oct. 5.

Total supplies of this magnitude, if realized, would be about 192 million bushels greater than in the 1950-51 crop year and be exceeded only in the five-year war period, 1940-41 to 1944-45 when carryover stocks were at unusually high levels. Peak supplies occurred in 1942-43, when the total reached 980.4 million bushels. Prior to the World War II period, the greatest supplies available were 659.2 million bushels in 1928-29.

The abnormally late season and adverse harvesting weather during much of September, however, will undoubtedly cause some reduction both in yield and quality from earlier expectations, says The Review.

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SECURITIES TRANSACTIONS: Sales and purchases of outstanding securities between Canada and other countries fell in July to the smallest volume of the year. Sales of \$27,200,000 and purchases of \$26,100,000 further reduced the monthly sales balance of \$1,100,000 in contrast to \$10,200,000 net sales achieved in the corresponding month last year.

Largely as a consequence of substantial monthly sales balances during the first quarter, cumulative transactions at the end of seven months resulted in net sales of \$43,700,000, greater by 125% than the net inflow for the corresponding period of 1950. It was not, however, until August and September last year that the exceptionally large inflows of capital reached their peak.

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LIBRARY LIST: Following is a selected list of Canadian Government publications received in the Department of External Affairs Library during September:

Department of Agriculture: Report of the Minister of Agriculture for Canada for the year ended March 31, 1951. Pp. 102. Price, 50 cents.

Atomic Energy Control Board of Canada: Fifth annual report of the Atomic Energy Control Board of Canada 1950-51. Pp. 11 (Eng.) Pp. 11 (French).

Dominion Coal Board: Annual report 1950-51. Pp. 62. Price, 25 cents.

Department of Labour: Labour organization in Canada. Fortieth annual report 1950-51. Pp. 88.

Department of Resources and Development: Annual report of the National Museum of Canada for the fiscal year 1949-50. Bulletin No. 123. P. 261. Price, \$1.00.

MR. B.C. BUTLER CONSUL AT DETROIT: The Departments of External Affairs and Trade and Commerce announced October 12 that Mr. B.C. Butler, who has been Director of the Information Division, Department of Trade and Commerce since 1945, has been appointed Canadian Consul and Trade Commissioner at Detroit. He will assume his new duties in Detroit at the end of November.

Mr. Butler is succeeding Mr. J.J. Hurley, who has been Consul at Detroit since the office was opened in 1948 and who is returning to Ottawa for duties with the Department of External Affairs.

The appointment of a senior trade department official to Detroit is an indication of the growing importance of the trade work of this office, the Departments' statement said.

On the same day the Department of Trade and Commerce announced the appointment of H. Leslie Brown, 48, as Director of the Department's Information Division to succeed Mr. Butler.

Mr. Butler, joined the Trade Commissioner Service of the Department of Trade and Commerce in 1929. He served as a trade commissioner in Batavia, Java; Singapore and Los Angeles, and as Consul and Trade Commissioner at New York. During the war years he was posted from Los Angeles to Ottawa as Director of the Export Section of the Shipping Priorities Committee, and later was sent to the New York post. He was recalled in 1945 to assume his position as Director of the Information Division.

Mr. Brown has been in the Trade Commissioner Service since 1930. He has served in Mexico, London, Cape Town, Johannesburg and Buenos Aires. He has represented Canada at various international discussions and in September 1950 headed the trade delegation which arranged the *modi vivendi* with certain South and Central American countries. On his return to Canada in November 1950, he became Assistant Director of the Trade Commissioner Service.

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\$23,000,000 CANSO CAUSEWAY: The Minister of Transport, Mr. Lionel Chevrier, and the Premier of Nova Scotia, Mr. A.L. Macdonald, announced October 9 that the Government of Canada and the Government of Nova Scotia have decided to proceed with the work of constructing a causeway and lock across the Strait of Canso, as recommended by the Reconvened Canso Board of Engineers in their June report. The estimated cost is \$23,000,000.

The causeway will connect the mainland of Nova Scotia with Cape Breton Island and provide both rail and road thoroughfare. It was recommended by a special Committee of engineers set up jointly by the federal Government and the Government of Nova Scotia. It will be 3,000 feet long, 80 feet wide at the top, provide for a 20 foot wide road, single track railway and 6 foot sidewalk.

REGIONAL LIVING COSTS: Regional cost-of-living indexes for nine cities presented mixed changes between August 1 and September 1. Composite indexes registered increases at four centres while for four others declines occurred. The index for St. John was unchanged. Decreases were general for foods except at Montreal where a narrow increase occurred. Sharp seasonal losses were prevalent for fresh vegetables while lesser declines were noted for fresh pork, lamb and shortening. Clothing was higher at all centres except Halifax while homefurnishings and services changes were scattered. Fuel and lighting costs were unchanged to higher while the miscellaneous items indexes were unchanged except for small increases for Toronto and Winnipeg. Reflecting the results of a quarterly survey, rents moved up for seven centres but remained steady for Saint John and Saskatoon.

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INFORMATION PROGRAMME FOR SERVICEMEN: Members of Canada's armed forces serving abroad will be briefed on the traditions and customs of those peoples with whom they will be working, National Defence Headquarters has announced.

Illustrated, pocket-size, booklets will be given to sailors, soldiers and airmen to provide them with a better understanding of their allies.

Aimed at making every Canadian serviceman abroad an ambassador for his country and for the United Nations, the booklets will be written by prominent journalists and others.

Prepared in both English and French editions under the direction of the recently-formed Bureau of Current Affairs, the booklets are part of an education and information programme being undertaken for Canada's armed forces.

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MOCK "ATOMIC AIR ATTACK": A mock "atomic air attack" is to be launched on the City of Windsor during the early morning of October 20. The "attack" will serve as a training exercise for Windsor's civil defence organization and the Canadian Army's No. 1 Radiation Detection unit based at Kingston, Ontario.

Object of the scheme is to test Civil Defence control in operating procedures, emphasizing radiation detection and plotting. The Army radiation detection unit will practice detection techniques on a large scale and will pass their information to Civil Defence headquarters for plotting.

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RECEIVED BY THE POPE: On Board HMCS Magnificent, at Sea October 6 -- Two hundred and thirty-four officers and men from the Magnificent and Micmac made a pilgrimage to the Holy City last week and were received by the Pope.

AIR RAID WARNING SYSTEM: To warn the people of Canada of impending air attack, the federal Government has arranged for the full-time lease of communication facilities and has provided for air raid sirens to be installed at strategic points across the country.

The federal Government is leasing communication facilities to form part of the air raid warning network and it has also awarded a contract to a Canadian firm for the provision of 200 powerful two-tone air raid sirens to be operated by local civil defence authorities. These sirens are being provided at federal expense exclusively and are being given to the local civil defence organizations.

In connection with the leasing of the communication facilities, it was essential to the success of the whole civil defence programme that likely target areas be given ample warning of impending air attack. The armed forces, supplemented by the efforts of trained civilian observers, will be responsible for the detection of any threatened attack on Canada.

Information gathered by this screen of military and civilian personnel in Canada and from friendly countries will flow into a number of air defence centres. There the information will be assessed and passed to trained civil defence liaison officers who will be constantly on duty at these centres. They will be charged with alerting civil defence authorities in target areas lying in the path of the predicted enemy approach. Instant communication from the control centres to the cities concerned is vital.

The federal authorities, in providing for the lease on a full-time basis of these communication facilities, ensure that civil defence organizations in target areas are alerted without delay. The alert passed to the target areas is also passed on at the same time through a whole network of communications to other cities and areas which may in turn be affected. (Canadian Citizenship Branch).

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GALLANTRY AWARDS: Courage, devotion to duty and coolness under fire by five members of the 25th Canadian Infantry Brigade in Korea have brought one soldier the award of the Distinguished Conduct Medal and Military Medals to the other four, Army Headquarters announced on October 5. The honours list also included 11 "mentions-in-despatches" awarded to officers and other ranks of the brigade for outstanding service in action.

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NEW CANADIANS' ART EXHIBIT: The Art Museum of the Public Library in London, Ontario, has announced that it will hold an exhibition of art by new Canadians this Fall. The purpose of the exhibition is to point out to the Canadian people the contribution and influences which are being brought to this country and its culture by recent immigrants.

HIGH RECORD TONNAGES OF COAL: high record tonnages of coal were produced in Canada in 1950, and with a large rise in imports, and a decline in exports, supplies of new coal made available for consumption were approximately one-fifth larger in 1950 than in the preceding year, according to the annual industry report by the Bureau of Statistics.

Domestic production of all grades of coal in 1950 amounted to 19,139,000 tons valued at \$110,140,000 compared with 19,120,000 tons at \$110,915,000 in 1949. The lower overall value was accounted for by lower production of bituminous coal. Coal imports during 1950 totalled 27,229,000 tons, an increase of nearly 36% over the 1949 total of 20,045,000 tons. Exports of coal amounted to 395,000 tons compared with 432,000 in 1949. Coal made available for consumption in 1950 amounted to 45,973,000 tons, an increase of 19% over the quantity available in the preceding year.

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RECORD PETROLEUM PRODUCTION: Canadian production of crude petroleum reached a further new peak of 4,935,512 barrels in July, a rise of about four per cent over the previous high of 4,756,710 in June, and more than double last year's July total of 2,609,778 barrels. This raised the cumulative total for the first seven months of the year to 24,905,641 barrels as compared with 15,108,033 in the same period last year.

July output from sources in Alberta advanced to 4,791,502 barrels from 2,470,041 a year earlier, and in the seven months to 23,905,219 barrels from 14,252,911. Redwater and Leduc -- two of the largest producers in Alberta -- accounted for a large part of the increase in the month. Production from the Turner Valley was lower in July.

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NEW NEWFOUNDLAND RADIO BEACON: To aid shipping plying along the west coast of Newfoundland and in the Gulf of St. Lawrence, a new automatic marine radio beacon went into operation last week at Devil's Head, near South Head, Newfoundland, according to an announcement made on October 1 by the Minister of Transport, Mr. Chevrier. This is the first important radio beacon station established since Newfoundland entered into Confederation with Canada. Other marine radio beacon stations on the Island were established by Canada prior to Confederation.

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ESKIMO SCULPTURE: Two thousand articles of Eskimo handicraft, many of them fine pieces of Eskimo sculpture, have been collected in the Eastern Arctic this year as a result of the co-operation between Canada's Department of Resources and Development and the Canadian Handicraft Guild.

THE ROYAL VISIT: To the practical exclusion of all other domestic interests, Canada's attentions have been focussed for a fortnight on the Royal Visit, the tour of Princess Elizabeth and Prince Philip. From the Atlantic to the Pacific, their progress across the country has been recorded by the press, the radio, and moving picture camera in every detail. The people of Canada have been lining the parade routes in their respective cities and towns in countless hundreds of thousands.

After their first contact with Canadian soil, an unscheduled landing at the international airport of Gander, Nfld., Their Royal Highnesses alighted from their stratocruiser at Montreal Airport at 11.41 a.m., October 8. They were greeted by the Governor General and the Prime Minister.

From Montreal to Quebec, where the Royal Tour officially started, to Ottawa, Kingston, Toronto, Hamilton, Niagara Falls, Windsor, and on to the West, the Royal Couple proceeded, captivating all hearts in route.

The Princess addressed many audiences, but her principal speech was delivered at a state dinner at Government House in Ottawa. Her address, in reply to a toast by the Governor General, was broadcast by the CBC.

In her remarks to Canadians, Her Royal Highness reported progress in the King's condition and said that he was gaining strength daily. The Royal Family, Princess Elizabeth said, had been wonderfully sustained and comforted by the thoughts and prayers from Canada, the Commonwealth, and the whole world. Her Royal Highness added that her visit was the fulfilment of a "cherished" dream.

Prince Philip was scheduled to speak only once, addressing a luncheon tendered him by the Board of Trade of Toronto. His speech, lasting about five minutes, was devoted to a review of Canadian achievement mainly in scientific fields. He is this year's President of the British Association for the Advancement of Science.

Their Royal Highnesses are proceeding westward across Canada, touching at the main centres, and will arrive in Vancouver October 20. They will visit Washington November 1 and 2, and, on their return to Canada, will proceed eastward through the Maritime Provinces. On November 12 they sail for home from St. John's, Nfld.

NEW JET FIGHTER SQUADRON: The RCAF is soon to have another jet fighter squadron, it was announced by Air Force Headquarters October 15. The new squadron, No. 430, which is to be equipped with F-86E sabre jet fighters, will be formed at North Bay, Ont., within the next few weeks, and will add another operational unit to the RCAF's expending Air Defence Command.

NATIONAL STATISTICS

Value of cheques cashed in August was \$9,-071,528,000 a steep rise of 20% over last year's corresponding total of \$7,558,260,000.

Gross factory selling value of products of Canada's motor vehicle manufacturing industry reached a new peak of \$675,867,467 in 1950, up 39% over the previous high of \$485,756,877 in 1949.

Wages paid to farm help in Canada have moved up all across the board, according to a survey taken at mid-August by the Bureau of Statistics. Daily rates for all Canada, with board, rose to an average of \$5.20 from \$4.40 a year ago, and without board to \$6.30 from \$5.40.

Visible supplies of Canadian wheat in store or in transit in North America on September 27 amounted to 166,328,413 bushels as compared with 153,369,397 a week earlier, and 158,408,-084 on the corresponding date last year. Overseas export clearances of wheat during the week ending September 27 amounted to 5,352,228 bushels compared with 4,130,014 a year ago, and in the cumulative period totalled 31,346,-301 bushels against 24,351,457 in 1949-50.

DEFENCE ORDERS AID WINDSOR: On his return from a further meeting in Windsor of the joint committee on unemployment, chairman of the committee, Arthur J. MacNamara, Deputy Minister of Labour, expressed confidence that steps already taken and suggestions being acted upon would gradually resolve the problem arising from lay-offs in the automobile industry.

First, there was a plan in view to specially "up-train" several hundred men formerly employed in the automobile and ancillary plants to fit them for the skilled jobs for which there was currently a labour shortage. This would be a Federal-Provincial co-operative scheme supported by the local authorities.

The Deputy also revealed there had been encouraging results from the efforts to get sub-contracts in Windsor from Detroit defence plants in line with the Canada-United States joint defence undertaking.

Since April, many millions of dollars of defence contracts had been let in the area, some of the larger ones being: Ford Motor Company Limited: Jeeps estimated to cost \$6,-453,000; 11 separate orders for automotive equipment amounting to \$697,258. Chrysler Corporation Limited: Vehicles -- \$82,280,000, \$2,160,000, \$2,220,000, \$273,000, \$8,200,000; automotive equipment and repairs -- eleven separate orders totalling in contract prices to \$1,332,532.

DELEGATION TO UN GENERAL ASSEMBLY: The Secretary of State for External Affairs, Mr. Pearson, announced October 16 the composition of the Canadian Delegation to the Sixth Session of the General Assembly, which opens in Paris November 6. The Delegation is as follows:

Representatives: The Hon. L. B. Pearson, M.P. - Secretary of State for External Affairs - Chairman of the Delegation
The Hon. Stuart Garson, M.P. - Minister of Justice - Vice-Chairman of the Delegation
Senator J. R. Hurtubise, M.D., C.M.

Mr. Maurice Bourget, M.P.

Mrs. A. R. J. Marshall - Past-President of the National Council of Women

Alternate Representatives: Mr. Colin E. Bennett, M.P.

Mr. T. A. Stone, Canadian Minister to Sweden

Mr. D. M. Johnson, Permanent Representative of Canada to the United Nations (Designate)

Mr. R. M. Macdonnell, Minister at the Canadian Embassy in Paris

Mr. J. F. Parkinson, of the Department of Finance, Minister at the Canadian Embassy in Paris

Mr. A. R. Crépault, Secretary-General of the Delegation

The Delegation will include Parliamentary Advisers from the Government and Opposition Parties in the House of Commons.

Appropriate Advisers will be drawn from the Department of External Affairs and the Department of Finance in Ottawa and from Canadian missions in Europe.

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AUTO SALES DOWN: Sales of new motor vehicles fell in August for the fourth successive month. As in earlier months of this year, sales of British cars suffered a more drastic curtailment of 72% than sales of domestic and American makes which fell off 26%. Financing of sales of new vehicles also moved lower in the month, but activity remained at a higher level in the financing of sales of used vehicles.

August results showed 21,600 new vehicles sold for \$54,957,845, down 34% in number and 19% in sales value compared with 32,900 units retailed for \$67,981,259 in August a year ago.

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CENSUS RECORDS URBAN GROWTH: Preliminary population figures of the 1951 Census covering a third list of 534 cities, towns and incorporated villages in all provinces, released by the Bureau of Statistics, continues to reflect the widespread growth in urban population among smaller as well as larger centres indicated in the first two releases. Out of the total number listed in the bulletin, population decreases were recorded for only 54 and all except eight of these are places with less than 500 population in 1941 and only one with population over 1,000.

ACCESSION OF GREECE AND TURKEY: The Department of External Affairs released on October 15 the text of a draft Protocol to the North Atlantic Treaty on the accession of Greece and Turkey which has been agreed upon by the North Atlantic Council Deputies and was made public simultaneously in all the NATO capitals. It was expected that the Protocol would be signed in about one week's time.

Insofar as Canada is concerned, Mr. L. D. Wilgress, the Canadian Deputy to the North Atlantic Council Deputies, has been granted full powers to sign the Protocol on behalf of the Government of Canada. The Canadian Parliament will in due course be asked to approve the ratification of the Protocol. When all twelve present signatories of the Treaty have duly signed and ratified the Protocol, a definitive invitation will be extended to the Governments of Greece and Turkey to accede to the North Atlantic Treaty.

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LABOUR FORCE AT PEAK: Canada's total non-institutional labour force and the number of persons with jobs both reached all-time peak levels at mid-August, while overall unemployment was the second lowest recorded, according to the quarterly survey by the Bureau of Statistics. The non-agricultural sector of the labour force continued the expansion earlier indicated, while the agricultural segment was reduced.

The non-institutional labour force stood at 5,421,000 in the week ended August 18 this year, 97,000 greater than the estimate of 5,324,000 for August, 1950. At the same time, the total civilian non-institutional population 14 years of age and over increased 170,000 to 9,887,000. As a proportion of the civilian non-institutional population, the labour force remained virtually unchanged at 55%, an indication that the expansion of the labour force was keeping pace with the increase in population.

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DWELLING CONSTRUCTION: Starts and completions of new dwelling units both were lower in August than in the corresponding month last year, starts falling 20% and completions by 18%. Starts were down for the fourth successive month, the decline in August following decreases of 40% in July, 21% in June, and 14% in May. The August decline in completions followed a reduction of 28% in July. The July-August decrease in completions was a reversal of earlier gains in each month except March.

Starts on new dwelling units in the first eight months of this year fell off about 16% as compared with a year earlier, with a large part of the decline in the May-August period. Completions to the end of August were down by a moderate two per cent. The combined result of these trends was a decrease of almost 12% in the number of new dwellings in various stages of construction at the end of August.



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WEEK'S EVENTS IN REVIEW

SPEECH FROM THE THRONE: Parliament is to be asked this session to enact legislation to provide for an appropriate agency of the federal Government to deal with the construction of the St. Lawrence Seaway, it was announced in the Speech from the Throne, read at the opening of the Fifth Session of the Twenty-First Parliament, on October 9.

"The proposed agency," read the Speech, "would be empowered to proceed either with the Canadian share of an international undertaking or a solely Canadian development, as soon as satisfactory international arrangements can be made for the power phases of the project in both countries."

After noting the visit of Their Royal Highnesses, the Princess Elizabeth and the Duke of Edinburgh, the Speech stated that the primary reason for the summoning of a second session in the present year was to consider old age security legislation "and to establish a fund made up of special contributions levied for that purpose." The balance of the text dealing with impending legislation read as follows:

"You will be asked to approve the ratification of a protocol to enable an invitation to be extended to Greece and Turkey to join the North Atlantic Alliance; and to consider a Bill relating to the Canadian Forces.

"The concern of our people over the rising cost of living resulting from international and domestic inflationary pressures is fully shared by the Government. Every measure will be taken which my Ministers believe will be effective in counteracting inflation without

impairing our free institutions. The anti-inflationary measures already in force have checked the upward trend of prices of goods and services affected by their operation.

"The Government has received an interim report from the Committee studying the Combines legislation recommending that suppliers of goods should be prohibited from requiring or inducing distributors to resell such goods at fixed or minimum resale prices. You will be asked to consider legislation arising out of the Committee's interim report.

"My Prime Minister has conferred recently with the President of the United States on the vital importance to the security and economies of both countries of proceeding as rapidly as possible with both the seaway and the power phases of the St. Lawrence project.

"The President stated he would support Canadian action to construct the seaway as second best if an early commencement of the joint development does not prove possible. Terms have been arranged with the Government of Ontario for the participation of the Ontario Hydro-Electric Power Commission with the appropriate Federal or State authority in the United States for the power development in the international section of the St. Lawrence, and with respect to the division of costs between power and navigation. You will be asked to enact legislation to provide for an appropriate agency of the federal Government to deal with the construction of the St. Lawrence Seaway. The proposed agency would be empowered to proceed either with the Canadian share of

MR. PEARSON ON UN QUESTIONS PROGRAMME

CANADIAN-AMERICAN RELATIONS: Canadian-American relations are good - "they have always been good and they are still good," the Secretary of State for External Affairs, Mr. L.B. Pearson, said on the United Nations Correspondents Association's television programme, "United - Or Not?" in New York on September 24.

The question on Canadian-American relations was introduced at the beginning of the programme by the UNCA President, Mr. John MacVane, and was followed by questions from the correspondents on the programme's panel.

"A few months ago," said Mr. MacVane, "you were reported as taking a somewhat critical attitude towards the United States. The inference seemed to be that the United States was trying to high pressure Canada into something and Canada was refusing. It was all pretty mysterious to most of us at the time. What was it all about?"

Mr. Pearson: "Well, I thought that would probably be the first question you would ask me. It is true that last spring I made a speech in Toronto on Canadian-American relations. I heard a good deal more about that speech than, I think, any other I have made. We were quite preoccupied in Canada at that time about some international problems which concerned our relations with the United States. But if that statement of mine was interpreted in this country as justifying any anxiety about the fundamental friendliness and the relations between Canada and the United States, that interpretation, of course, was not justified."

POWER OF THE UNITED STATES

"In Canada these days we are a little worried about the power of the United States in this coalition of ours. Any smaller, weaker country is always preoccupied with the power of a great country, and there are some Canadians -- I am not one of them -- who worry about American influence in Canada...."

"I think that in Canada now our relations with the United States have changed. In the past -- and not the very far distant past -- they were largely bilateral. I mean by that that the relations were over Canadian-American problems as such. And we handled them without any difficulty, with friendliness and informality. They were sort of neighbourly problems, garden fence problems. But now our relations with the United States -- and this applies to other countries -- are, to a very great extent, our relations with the leader of a coalition the policies of which will determine war or peace; and in that coalition, by any test, the United States is much the most powerful member."

"Naturally, the other members of the coalition, the smaller members -- and that includes Canada -- are preoccupied by the problems of leadership given by the United States -- just as I am sure the United States is preoccupied,

if I may coin a word, by the problem of 'followship'.

"But our relations are good; they have always been good and they are still good, though I do not think that the people down here expect us to follow automatically any policy that is put forward by any other country. We express our own point of view. After all, we are North Americans, and we talk frankly. You ought to understand that."

"Last spring we had a particular worry -- and I think that may be in your mind -- we really were very worried at that time about the possibility of the extension of the conflict in the Far East. That was on our minds then, and it is not so much on our minds now as it was then."

Mr. Pearson was asked to state his conception of the meaning of the term, "North Atlantic community" and replied: "That is a difficult question because a lot of us... have been using the phrase 'North Atlantic community' in possible a somewhat loose way. But what I have in mind by that phrase is the development, not as an exclusive organization or an exclusive arrangement, but the development of a system under the North Atlantic Pact by which these members who are working together may build up something that is a little closer than the ordinary arrangement of sovereign States within say the United Nations."

NORTH ATLANTIC COMMUNITY

"I happen to feel that in this very small divided world of ours there is not going to be room enough for a multitude of competing sovereign units and that one day we are going to have to get together. That is not going to be done at once. This is not the sort of thing you can do overnight. It is not the sort of thing you can do in a decade. But it is time that we began to lay the foundation of this North Atlantic community, and eventually we may find ourselves far closer than we are today."

To an inquiry as to whether one might expect at Paris any new approach to the problem of East-West relationships, Mr. Pearson replied:

"Before every General Assembly, we talk about the decisive role that the forthcoming Assembly is going to play in world affairs. We are doing it again, and quite rightly so. I do not see how this General Assembly can easily institute a new approach towards the solution of the East-West conflict. It is not so much, I think, a new approach which is required -- we have tried every approach -- it is a new spirit, a new willingness on the part of certain members of the General Assembly to cooperate with the rest of us in the solution of problems. Until we get that willingness to cooperate, I do not think that it is very helpful to talk about a new approach. It is a new will that we need."

AUGUST EXPORTS MORE THAN ONE THIRD HIGHER IN VALUE

RISE IS GENERAL: Canada's domestic exports in August were more than one-third higher in value than in the corresponding month last year, large increases in wheat and other grains, wood pulp, newsprint paper, aluminum and nickel accounting for most of the marked upswing in overall value.

The rise in the value of exports was common to all geographic areas, but a special feature, as in July, was a marked gain in shipments to the United Kingdom and other overseas countries. In the last two months these shipments have been well above the level of the last two years.

Exports to the United Kingdom rose 56 per cent in value in the month, and to European countries jumped 155 per cent, while shipments to the United States advanced 15 per cent. Substantial gains were also shown in the value of domestic exports to Latin American countries, the remaining group of Commonwealth countries, and other foreign countries as a whole.

Shipments to all countries in August were valued at \$349,800,000 as compared with \$257,100,000 in the corresponding month last year, a rise of 36 per cent. Preliminary calculations by the Bureau indicate that the volume of exports was almost 20 per cent greater and that prices of exports were 13.5 per cent higher. The August volume was some 7.8 per cent lower than in July but higher than in any of the first six months of the year.

Domestic exports for the eight months ending August were valued at \$2,464,500,000 as compared with \$1,941,400,000 in the similar period of 1950, a gain of 27 per cent.

Exports to the United States rose in the month to \$192,838,000 from \$167,148,000 a year earlier, and in the eight months to \$1,504,611,000 from \$1,240,292,000. As a result of the greater expansion in the value of total shipments the proportion going to the United States in August fell to 55 per cent from 65 per cent a year ago. Largest gains in the month were in wood and paper products, iron and products, and agricultural and vegetable products.

Total value of shipments to the United Kingdom rose in August to \$66,397,000 from \$42,544,000 a year earlier, particularly large increases being recorded for agricultural and vegetable products, wood, wood products and paper, and for non-ferrous metals and products. Aggregate value for the eight months ending August was \$393,855,000 against \$313,629,000 a year ago.

Value of shipments to foreign countries in Europe rose to \$41,926,000 from \$16,427,000 in August last year, and in the eight months to \$197,947,000 from \$112,385,000. Exports to Belgium and Luxembourg, France, Germany, Ireland, Italy, Netherlands, and Norway accounted for most of the rise in value.

Exports to Commonwealth countries, other than the United Kingdom, rose in value in August to \$19,705,000 from \$10,799,000 a year earlier. There was a general rise among the individual countries, with largest increases in shipments to the Union of South Africa, Australia, and New Zealand. Aggregate value for the eight months ending August was \$151,600,000 as against \$121,900,000.

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MR. ABBOTT ON NATO COMMITTEE: The Department of External Affairs announced Oct. 2 that the Minister of Finance, Mr. D.C. Abbott, would represent the Government as the Canadian member of the temporary committee of twelve nations established by the North Atlantic Council at the Ottawa meeting. The Council, when announcing the formation of this committee, stated that its duties would be to survey particularly the requirements for fulfilling a militarily acceptable NATO plan for the defence of Western Europe and the realistic political-economic capabilities of the member countries, with a view to determining possible courses of action for their reconciliation so as to achieve the most effective use of the resources of the member countries.

Mr. Abbott, accompanied by advisers from the Departments of Finance, National Defence and External Affairs plans to attend the first meeting of the committee, which it is expected will be held in Paris in the second week of October.

PACIFIC SALMON STUDY: A study of the development of the Pacific salmon fishery and general observations of its present condition suggest that within the last few years commercial exploitation may have reached its limit, writes Dr. R.E. Foerster, under the heading, "Pacific Salmon Investigations" in the September issue of the Department of Fisheries Trade News.

With the increase in amount of fishing gear and the more efficient methods of capture there are indications that as many salmon are being taken as the annual stocks can stand and still perpetuate the populations at a high level. In fact there are indications that for some of the species in certain coastal areas of British Columbia a degree of depletion may have already set in.

Adequate information is not yet available to show clearly how the populations have been affected biologically, but the catch records are sufficient to reveal it as a matter of concern for the future.

PRICES SUPPORT ON FISH: In fulfillment of commitments made over a year ago, the federal Government has authorized the Fisheries Prices Support Board to make deficiency payments on the 1950 production of Newfoundland shore-caught and Labrador semi-dry salted codfish. The payments will be made to approximately 20,000 Newfoundland and Labrador fishermen.

For generations, salted codfish has been the mainstay of Newfoundland's shore fishermen, and the abnormal decline in the price of Labrador and Newfoundland salted fish which occurred between 1949 and 1950 made it necessary for the federal Government to take action.

In contrast to the improved market situation today, conditions were particularly difficult in 1950 when post-war adjustment in the markets was taking place. The extension of wartime and relief demands and the disruption of European production had been sufficient to maintain prices at relatively high levels. The cessation of these extraordinary demands, coinciding with the tight dollar position in the principal markets for the Newfoundland product, depressed the prices to fishermen.

It is the Government's belief, stated the Minister of Fisheries, Mr. Mayhew, that prices support action cannot solve the problem of Newfoundland fishermen. Fundamental improvements in production methods are necessary and the Government places great significance on the work now being carried out by the Newfoundland Fisheries Development Committee.

Market conditions for the 1951 production have improved to the point where action under the Fisheries Prices Support Act appears unnecessary.

The deficiency payment of \$1.30 per quintal on an estimated production of 645,000 quintals of 1950 fish will apply uniformly to all grades and sizes of shore-caught fish and will go directly to all Newfoundland shore fishermen who sold such fish, regardless of what price they received from their merchants.

A deficiency payment of 85¢ per quintal will be paid to the producers of semi-dry Labrador codfish also of the 1950 production. This latter payment, on approximately 51,000 quintals, will raise the price of semi-dry Labrador to \$7.85 per quintal.

* * * *

TRENDS IN INDUSTRIAL OUTPUT: "Although the levels of employment and industrial output for the first seven months of the year were well above those of the corresponding period last year, there was a distinct falling-off in the rate of increase during June and July," states the current issue of the Canadian Statistical Review.

During the January-July period the index of industrial production, it is pointed out,

averaged 12 per cent higher than in the comparable period of 1950. For the first five months the increase over last year was running at a rate of about 14 per cent, the figures for June and July reflecting a curtailment of this trend. Gains in these two months over the corresponding months last year were only about 7 per cent. Industrial output in July showed a drop as compared to June, which can be partly attributed to the practice of many firms of closing down their plant for summer holidays.

Despite the decline in the rate of increase of manufacturing output in recent months, the record for the first seven months as a whole is quite remarkable, says the Review. During this period manufacturing industries produced 11 per cent more goods than in the comparable 1950 period. A considerable expansion in the output of durable goods accounted for the greater part of this increase; production in these industries rising by over 18 per cent, while production on non-durable goods was about 6 per cent.

* * * *

FARM CASH INCOME UP 40 P.C.: Canadian farmers received about 40 per cent more cash from the sale of farm products and from grain adjustments and participation payments on previous years' crops in the first six months of 1951 than in the corresponding period of 1950. Heavier marketings of grain, larger payments by the Canadian Wheat Board in connection with the wheat crops of 1940 to 1949, inclusive, and the oats and barley crops of 1949, and record high livestock prices were main factors in the overall rise.

This year's half-year farm cash income (excluding Newfoundland) aggregated \$1,245,700,000 as compared with \$887,119,000 in the like period of 1950, and \$1,085,500,000 in 1949, according to preliminary Bureau estimates. In addition, supplementary payments made to farmers under the provisions of the Prairie Farm Assistance Act amounted to \$9,300,000 during the first half of 1951, as against \$13,500,000 in the same period of 1950, and \$9,200,000 in 1949.

Most of the rise in farm cash income took place in the second quarter of this year, estimated total for the period advancing to \$767,757,000 from \$475,967,000 in the similar period of 1950, and \$664,414,000 in 1949. First quarter total was up to \$477,936,000 from \$411,152,000 in 1950, and \$421,060,000 in 1949.

Cash income in the half-year from the sale of grains, seeds and hay, including the Canadian Wheat Board payments on previous years' deliveries, amounted to \$361,200,000 in 1951 as against \$129,800,000 a year earlier, with Wheat Board payments up to \$182,600,000 from \$6,300,000. Livestock receipts at \$494,900,000 compared with \$403,400,000 a year ago.

CANADA AT COLOMBO PLAN EXHIBITION: Some conception of Canada and its natural resources will be provided for visitors to the Colombo Plan Exhibition, which is being held next February in Colombo, Ceylon, to demonstrate the technical and capital equipment requirements of countries in South and South-East Asia. It will also enable those countries participating in the Colombo Plan to indicate the measure of assistance already rendered and the extent to which they hope to contribute, individually and collectively, towards the economic development of South and South-East Asia.

Fifteen nations have been invited to take part in this exhibition which, it was expected, would be officially opened by His Majesty the King en route to Australia next year. Canada will be represented, and has designed a structure in which to house its display. The building, of contemporary design, will be prefabricated in the workshops of the Canadian Government Exhibition Commission, in Ottawa, and shipped to Colombo. Typical Canadian materials, such as aluminum and cedar, will be used in its manufacture.

The Canadian exhibit is designed to indicate what this country can offer, through the provision of technical training and capital equipment, towards raising the standard of living in an area comprising one-quarter of the world's population. (Foreign Trade, Dept. of Commerce.)

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COLOMBO PLAN: George M. Nixon, P. Eng., Montreal, left Ottawa October 4 for Colombo, under provisions of the Technical Co-operation Programme of the Colombo Plan, and will likely spend the next three years in Ceylon assisting in the installation and maintenance of equipment to improve food preservation and marketing.

His services were secured by the International Economic & Technical Co-operation Division, Department of Trade and Commerce, through which provision will be made for the payment of his salary and transportation expenses. The Government of Ceylon will be responsible for payment of a subsistence allowance during the period of his stay in that country.

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SPEED GRAIN CROP MOVEMENT: The Board of Grain Commissioners has been granted powers intended to speed up the movement of Canada's record grain crop, the Minister of Trade and Commerce, Mr. C.D. Howe, announced October 5. Under a new Order-in-Council, P.C. 5122, issued under authority of the Emergency Powers Act, the Board now has authority to defer the weigh-over at terminal elevators, when this is considered necessary to avoid delay in unloading of cars and to facilitate the use of transportation facilities.

NATIONAL STATISTICS

Wholesale prices as a whole moved downward in August, according to the price indexes compiled by the Bureau, reversing for the second time this year their general upward trend. The general index number, on the base 1935-39=100, declined to 241.5 for the month from 244.2 for July to reach the lowest standing since February this year. The previous decline was from 242.2 in April to 241.9 in May. This year's August figure compares with 215.7 for August 1950.

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Industrial employment and payrolls moved to higher levels at the beginning of August, according to advance tabulations by the Bureau of Statistics. The general index number of employment, on the 1939 base, rose to 184.3 from 183.6 at July 1, and 172.5 at August 1, 1950, and the payrolls index advanced to 393.8 from 392.5 at July 1, and 332.5 at August 1, 1950. Per capita weekly wages and salaries of persons employed by the larger firms in the major industrial divisions at the beginning of August were \$50.14; though insignificantly lower than the July 1 average of \$50.16, the August 1 figure considerably exceeded last year's corresponding average of \$45.15.

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Department store sales in August were valued at \$61,520,000, virtually unchanged from the August, 1950, total of \$61,350,000. This was the third successive month in which sales remained practically unchanged from a year ago. Value of department store stocks at the beginning of August was \$221,600,000, up 23 per cent over a year earlier.

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Production of shorn wool in Canada this year was estimated at 7,471,000 pounds, a decrease of 5.5 per cent from the preceding year's estimate of 7,904,000 pounds. The total clip was one of the lowest on record.

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NEW AWARENESS OF CIVIL DEFENCE: A growing awareness of the importance of civil defence is apparent among Canadians, F.F. Worthington, federal Civil Defence Co-ordinator, said in Ottawa on his return from a three-week survey of civil defence organization in the western and Maritime provinces.

Centres where disasters have struck within the past few years are most conscious of the need for adequate civil defence arrangements, he said, and the civil defence and peacetime disaster organizations are being closely linked in these areas. In many communities and provinces, sound planning backed by voluntary effort is leading to excellent programmes.

PREMIUM GOLD MARKETS: Noting that the decision arose out of the September 28 announcement by the International Monetary Fund, concerning premium sales, that it was leaving to each member country the framing of its own policies in this field, the Minister of Finance, Mr. D. C. Abbott, announced October 6 that Canadian gold producers would be granted access to premium gold markets.

The Minister said "those producers selling their gold to premium markets would not, however, be eligible for assistance under the Emergency Gold Mining Assistance Act. This Act expires at the end of 1951 and each mine now eligible for assistance under the Act would be required to elect in advance whether to continue to receive EGMAA assistance or to have access to premium markets for its production for the balance of the year."

Mr. Abbott said that the matter of the extension of the Emergency Gold Mining Assistance Act beyond the end of 1951, whether in its present or modified form, has not yet been decided. He added that early consideration would be given to this question.

In outlining the arrangements contemplated, Mr. Abbott said "export licenses would be required for the sale of gold to premium markets. Such licenses would be given only to gold producers or their agents. Gold could not be exported to premium markets in monetary form such as Mint bars or coins but must be in the form of non-monetary gold of 22 carat or lower fineness. Exporters would be required to satisfy the regulations of the Foreign Exchange Control Board regarding currency of payment."

IMPORT LICENSE

Mr. Abbott stated further "in order not to impair or undermine the regulations imposed by other countries, the applicant for an export license would have to provide evidence that an import license had been obtained from the country of destination, if such a license is required by that country."

In discussing the role of the Canadian Mint in these arrangements Mr. Abbott said that it would act as a custom refiner for the mines electing to sell to premium markets and would charge an appropriate fee for this service. The Mint would no longer sell gold to domestic processors or to domestic manufacturers and all such requirements would be met by gold made available by gold producers at the prevailing market prices. The Mint would continue to buy all gold at official prices from producers electing to receive EGMAA assistance. It would, of course, be prepared to pay the official price also for any gold which the producers electing premium markets desired to sell to it.

ONTARIO ELECTION: Premier Frost of Ontario has announced a provincial election to be held November 22.

SPEECH FROM THE THRONE (Cont'd. from p. 1)

an international undertaking or a solely Canadian development, as soon as satisfactory international arrangements can be made for the power phases of the project in both countries

"The Commission to consider whether the economic and social returns to the Canadian people on the investment in the proposed South Saskatchewan River project would be commensurate with the cost has been appointed and is pursuing its studies.

"The Government has decided to proceed with the construction of a causeway to bridge the Straits of Canso for rail and road traffic as recommended by the Board of Engineers, and the Government of Nova Scotia has agreed to contribute a portion of the cost.

"Pursuant to the recommendations of the Royal Commission on Transportation, amendments will be introduced to the Railway Act, the Canadian National-Canadian Pacific Act and the Maritime Freight Rates Act. The amendment to the Railway Act will include the provision recommended by the Commission for maintenance by the nation of the link in Northern Ontario between Eastern and Western Canada.

"My Ministers will submit a Bill embodying recommendations for legislation on radio broadcasting and television of the Royal Commission on National Development in the Arts, Letters and Sciences, including provision for the financing of the Canadian Broadcasting Corporation...."

AUGUST COST-OF-LIVING RISE: The Bureau of Statistics cost-of-living index rose 0.5% from 188.9 to 189.8 between August 1 and September 1. All groups, except food, registered increases.

A decline in the food index from 251.4 to 251.1 reflected sharp seasonal decreases for fresh vegetables, coupled with declines for pork shoulder, lamb, and vegetable shortening. These outweighed strength for most beef cuts, bacon, butter, cheese, eggs, cocoa, oranges and canned vegetables.

Clothing rose from 204.6 to 206.9 due largely to sharp advances for footwear and woolen wear. Upturns for hardware items, floor coverings and dishes, moved the home furnishings and services group from 199.0 to 199.1.

Fuel and light rose 1.3 points to 149.5 due to scattered increases for coal and coke, while the miscellaneous items series changed from 143.7 to 144.0 on advances in transportation and recreation costs. The index for rents, reflecting the results of the August quarterly survey, moved from 139.8 to 142.7.

From August 1939 to September 1951, the increase in the cost-of-living index was 88.3%.



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WEEK'S EVENTS IN REVIEW

WASHINGTON SEAWAY CONFERENCE: The Prime Minister, Mr. St. Laurent, visited President Truman in Washington on September 28 to discuss the seaway project. Following is the text of the statement approved by the President and the Prime Minister after their meeting.

"The President and the Prime Minister discussed the St. Lawrence project. They agreed on the vital importance to the security and the economies of both countries of proceeding as rapidly as possible with both the seaway and the power phases of the project. They explored the matter of the next steps to be taken in achieving the early construction of the project. They both agreed that it would be most desirable to proceed along the lines of the 1941 Agreement between the United States and Canada.

"The Prime Minister informed the President of the needs of Ontario for power and of the arrangement the Canadian Government could make with the Government of that Province for its participation with the appropriate federal or state authority in the United States for the power development. In these circumstances, the Prime Minister indicated the Canadian Government would be willing to construct the seaway as a Canadian project if it is not possible to have the joint development undertaken on the basis of the 1941 Agreement.

"The President expressed his strong preference for joint action on the seaway and his hope that the Congress would soon authorize such action, but stated he would support Canadian action as second best if an early commencement on the joint development does not prove possible."

Seaway legislation will be introduced at the fall session of Parliament if that is necessary to expedite the project, Mr. St. Laurent said on his return to Ottawa. The Government would do whatever was necessary to expedite it.

After returning to Canada, the Prime Minister held conferences with Premier Duplessis of Quebec and Chairman R.H. Saunders of the Ontario Hydro Electric Power Commission on seaway matters.

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MR. ABBOTT ON CONTROLS: A temporary reduction in standards of living is the real price Canadians all must pay for security and freedom, the Minister of Finance, Mr. Abbott, told the nation in a broadcast on September 25.

He summarized the Government's policy in the matter of controls as follows: "Our policy is, and always has been to apply whatever are necessary and effective to do the particular task, but we cannot honestly adopt controls

ALUMINUM, GAS, OIL: In the following excerpts from his address on Transportation and Industrial Development, before the Toronto Junior Board of Trade, on September 23, the Minister of Transport, Mr. Lionel Chevrier, touches upon the proposed aluminum development in British Columbia and oil and gas developments in Alberta:

"I should like to refer to Aluminum Company of Canada's proposed development in British Columbia. Kitimat, an old Indian village lying some 400 miles north of Vancouver, may become the site of one of the world's largest aluminum smelters. Initial development, costing \$200,000,000 over a 3-year period, is now under way. Ultimate development will require a further \$300,000,000 investment and would increase Kitimat's annual production from 330 million pounds of aluminum to a billion one hundred million pounds or about 1½ times production at Arvida.

"Although several roads are under construction to link the major centres of the work with existing road and rail arteries nevertheless the project is largely dependent upon air services. Several carriers are now actively engaged in transporting materials and supplies to and from the construction areas and one operator is reported to have signed the largest air transport contract in Canadian aviation history.

"It may be that an important characteristic of the years before us will be the replacement of coal by petroleum. While no one can foretell the precise effect that the recent oil and gas discoveries in Alberta may have upon our economic growth, yet it may well be tremendous. The construction of a pipeline from Edmonton to Superior, Wisconsin, a distance of 1,200 miles, and specialized tanker vessels to ply between Superior and Sarnia, set the stage for substantial expansion in the secondary industries of this Province. In "Sarnia Chemical Valley" alone some \$40,000,000 is being invested in plant expansion. Cheap transportation of a natural resource in volume quantities is the basis of this development...."

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FOUR AUGUST STRIKES: Four strikes accounted for more than 75 per cent of the total time loss and affected more than 69 per cent of the workers involved in work stoppages arising from industrial disputes in Canada during August, 1951, according to a monthly summary of strikes and lockouts issued on September 25 by the Minister of Labour, Mr. Gregg.

The strikes of tobacco factory workers at Hamilton, Ontario and Granby and Montreal, P.Q., gold miners and millworkers at Timmins, Ontario, sewing machine factory workers at St. Johns, P.Q., and coal miners in Nova Scotia were responsible for a combined time loss of 166,100 man-working days and involved a combined total of 17,465 workers.

CURRENT EMPLOYMENT SITUATION: The major developments on the employment scene during the latter part of August and early September were the continued lay-offs of workers from automobile assembly and parts plants in Windsor, the return of some logging workers to jobs in British Columbia following recent rains, and the gathering of a labour force of sufficient size and quality to harvest the bumper Prairie grain crop, according to the semi-monthly report on employment conditions issued September 24.

The combined effect of these and other developments caused little change during the last two weeks of August in the number of applications for employment on file with the National Employment Service. net reduction of 1,800 occurred from August 16 to August 30, the result of a drop of 1,900 in the Prairie region, 800 in the Pacific region, 400 in Quebec, 300 in the Maritime region, 200 in Newfoundland and a rise of 1,800 in Ontario.

Employment conditions in Windsor are still in a state of flux. During the two weeks under review, 1,473 applicants were added to those already registered at the local Employment Service office, bringing the total at August 30 to 4,705. A lay-off from the Ford Motor Co. of 1,800 workers occurred over the Labour Day week-end, which will further increase this figure and employment reductions in other firms seem likely. At present, these lay-offs are being offset somewhat by extensive seasonal activity on construction, agriculture and various other types of outdoor employment.

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NET CREDIT ON TRAVEL LOWER: Canadians spent more on pleasure travel in the United States and in overseas countries last year than ever before, but expenditures in Canada of visitors from other countries were slightly lower. As a result, Canada's net credit on travel account with all countries was substantially lower than in the preceding year.

Travel spending by Canadians abroad in 1950 rose 17.4 per cent to \$225,700,000 from \$192,200,000, while expenditures of visitors from other countries in Canada fell four per cent to \$274,700,000 from \$286,500,000. Canada's net credit on travel account accordingly fell to \$49,000,000 in 1950 from \$92,000,000 the previous year.

Expenditures of Canadian travellers in the United States rose 16.9 per cent in 1950 to \$192,700,000 from \$164,900,000 in 1949. In contrast the expenditures in Canada of travellers from the United States fell slightly to \$259,700,000 from \$267,100,000. Consequently, there was a marked contraction in the size of the credit balance which Canada has customarily had from travel with the United States to \$67,000,000 from \$102,200,000 the year before.

ECONOMIC DEVELOPMENT, OUTLOOK AND TRADE

MR. BULL'S QUEBEC ADDRESS: The following excerpts from an address by Mr. W.F. Bull, Deputy Minister of Trade and Commerce at the Annual Convention of the Tea and Coffee Association of Canada in Quebec City, September 15, give successive word pictures of Canada's economic development, economic outlook and outlook toward trade:

"The stage of Canadian economic development and the size of the market which this country now offers to both domestic and foreign traders have been reached with intermittent interruptions but the most rapid growth in Canada's history has taken place between 1939 and 1951. In this period our population has risen by 25%, the number of persons working in remunerative civilian jobs by about 30%. The average disposable income for a Canadian family of four is \$4,000 or two and one-half times what it was in 1939;

"Even if allowance is made for rising price levels which have been experienced in Canada as in other countries, the average family of four earns about one and one-half times as much in real terms as it did in 1939. And since the savings pattern has not changed very much Canadians spent correspondingly more on consumer goods and services. All of this has been achieved with the Canadian working man being able to enjoy a greater amount of leisure than ever before.

PRODUCTIVE CAPACITY

"Average hours worked per week in manufacturing, for example, are now about 10% below the practice prevailing in 1939. While increased defence needs may arrest this trend towards greater leisure and in several key industries the number of hours worked is likely to increase, the productive capacity of the country is proving so great as to make possible increased production both for military and civilian purposes and greater voluntary leisure than before World War II.

"Today Canada provides a market for the sale of goods and services of over \$20 billion a year. This market is almost as large as that of France, a country with about three times Canada's population. In Canada about every third person is working. Persons in civilian occupations involve 5.3 million, a record number for Canada. Unemployment is running at about 2% of the labour force, or a minimum required for the maintenance of occupational and industrial mobility. Exports and imports of goods and services this year are likely to involve something like \$11 billion of which some \$3½ billion may involve commodity trade alone.

"The Canadian capital expenditure programme including resources development, industrial, utility and commercial expansion, housing, institutional and public facilities may in-

volve an expenditure of \$4½ billion, another Canadian record both in volume and value terms. In addition, defence expenditures of \$1.7 billion are planned for the current fiscal year, the highest in Canada's peacetime history.

"This country has not been able to isolate itself from inflationary forces operating the world over. In fact the Canadian Government's attitude has been that this would not be necessarily the wisest course for a country as dependent on world trade as Canada at a time when the rigours of all-out war are absent and many supplies are available in comparative abundance....

"Turning now to the outlook for the Canadian economy, the major factor influencing current developments is, of course, this country's preoccupation with increased military and industrial preparedness for security reasons. As the Canadian Government has pointed out the present target calls for a three-year programme involving some \$5 billion for defence spending. This amount, as large as it appears by previous peacetime standards, reflects only the direct and most visible impact of defence.

DEFENCE PROGRAMME

"Besides the military programme a substantial proportion of Canadian expansion presently under way or contemplated is closely allied to the defence programme. It manifests itself in the expansion of planned capacity in a large number of basic and manufacturing industries, from base metal mining and hydro developments to extending steel production and establishing new tool making facilities. Further as Canadian defence plans reach a mass production stage much of the output is likely to increase not only because of domestic defence orders but also because of orders for other countries. For Canadian productive capacity goes far beyond national requirements. In World War II, for example, some two-thirds of defence production were made available to allied nations.

"With large defence requirements to be met in the next three years civilian demand is likely to press heavily on some if not most resources available in the country. While problems of materials, manpower and price adjustments are likely to be with us over the next two or three years the general outlook is for a growing market and this growth may be of the order of from 4 to 5 per cent of the gross national product in volume terms.

"As to trade in a defence economy, the Government has indicated that it considers international exchange of commodities as an important means of increasing the supply of strategic materials and essential civilian goods where they are most needed. The importance which the Canadian Government has attached to this problem of increasing trade

among nations in spite of all the difficulties encountered in a period of rearmament is indicated by the Canadian participation in tariff negotiations, the conclusion of trade agreements and the continuing discussions with trade-minded nations to encourage a freer flow of goods across borders. Also Canada has an annual international trade fair which is designed to emphasize the part played by this country both as a market for foreign goods and as a supplier of many items needed abroad...."

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PERMANENT REPRESENTATIVE TO UN: The Department of External Affairs announced on September 26 that Mr. D.M. Johnson, High Commissioner for Canada in Pakistan, has been appointed Permanent Representative of Canada to the United Nations, New York. Mr. Johnson, will take over his new duties at the beginning of the forthcoming session of the General Assembly and will be a member of the Canadian Delegation to the General Assembly in Paris.

Mr. Herbert Norman, who had been assigned temporarily to New York as Acting Canadian Permanent Representative to the United Nations, resumed his post as Head of the Department's very important American and Far Eastern Division upon his return from the San Francisco Conference on the Japanese Peace Treaty where he served as senior adviser to the Canadian Delegation.

Born April 30, 1902, Mr. Johnson was educated at Lachine High School, Lachine, P.Q.; McGill University 1919-1923 (Mathematics) B.A.; Oxford University 1923-1926, B.A.; B.C.L. He practiced law in Montreal from 1926-1936 and from 1936-1946 was Solicitor to Treasury with the Department of Finance. He was a member of the Canadian Armed Services from August 1943 until September 1945.

Mr. Johnson joined the Department of External Affairs in February 1947. From February 1949 until his appointment as High Commissioner for Canada in Pakistan in December of that year, he was Acting High Commissioner for Canada in Ireland.

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HMCS MAGNIFICENT AT NAPLES: On Board HMCS Magnificent, at Naples, Italy, Sept. 28 -- This Canadian aircraft carrier and the destroyer HMCS Micmac enjoyed at Naples their first real break from training operations since they left Halifax August 7 on their Mediterranean cruise.

The ships arrived in Naples September 26 and remained until October 2, giving the more than 1,200 officers and men aboard them an opportunity to enjoy an extensive programme of sightseeing and entertainment that the Italian Navy, acting as host, had arranged for them.

Tours were conducted to the Isle of Capri and the ancient city of Pompeii. The Magnificent's Roman Catholic chaplain led a

pilgrimage to Rome, where the Pope received the Canadian group in audience.

Commodore K.F. Adams, of Victoria, commanding officer of the Magnificent, and Lieut.-Cdr. F.C. Frewer, of Toronto, commanding officer of the Micmac, had a heavy schedule of calls on government, military and diplomatic officials. They made a total of 16 visits in Naples and Rome.

On September 30 they visited the war cemetery at Monte Cassino to lay a wreath in memory of the Canadian soldiers who lost their lives and are buried there.

* * * *

NEW DWELLING UNITS: Both starts and completions of new dwelling units were sharply lower in July than in the corresponding month last year, starts falling 40% and completions by 28%. Number of starts was down for the third successive month, the July drop following reductions of 21% in June and 14% in May. The decrease in completions was a reversal of earlier gains in each month except March.

Starts in the first seven months of this year were down 15% from a year earlier, most of the reduction occurring in the May-July period. Completions to the end of July were moderately higher than a year earlier. As a result, the carryover of uncompleted dwellings at the end of the period was 11% smaller than a year earlier.

Starts in the month numbered 6,123 as compared with 10,245 a year ago, bringing the seven-month total to 44,588 as against 52,394.

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EXPORTS, IMPORTS RISE: A summary of foreign trade figures for August released by the Bureau of Statistics shows a rise in the value of Canada's total domestic exports to \$349,800,000 from \$257,100,000 in August, 1950, and an increase in estimated total imports to \$358,800,000 from \$267,300,000.

Domestic exports to the United States rose in value to \$192,900,000 as against \$167,200,000, and to the United Kingdom to \$66,400,000 compared to \$42,500,000. Estimated imports from the United States amounted to \$231,500,000 as compared with \$172,600,000, and from the United Kingdom to \$39,000,000 as against \$34,300,000.

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CANADIAN HONOURED: In an investiture at the Royal Netherlands' Embassy on September 25, Craftsman Peter Adrian Visser of the Royal Canadian Electrical and Mechanical Engineers School at Kingston, Ont., received the Bronze Cross from His Excellency A.H.J. Lovink, Netherlands' Ambassador to Canada for war services to the Netherlands.

(Continued from p. 1)

MR. ABBOTT ON CONTROLS

which we believe would be ineffective or do more harm than good. Our policy on controls is simple and realistic. Are they really necessary? Will they really do the job?"

Inflation could not be controlled by government action alone, he warned. While government action was needed, even more was needed restraint and good sense on the part of all groups and classes in the community - in respect of prices and profits, wages, hours and efficiency of work, and in spending and saving.

In the stress of war Canadians, by their support, he said, made these things work. And if we again found ourselves with our backs to the wall devoting nearly half of all our wealth and energy to waging another war Canadians would support such a policy again.

"But you would do it," he added, "knowing that it was a short run emergency, that in two or three years you would recover your normal freedom. The situation we are now facing has no clear ending -- this tense and uncomfortable twilight zone may last for 10 or 15 years or even a generation."

Mr. Abbott outlined what he declared to be "the real task" before the nation as follows:

"We are compelled by events to spend about five times as much on security against aggression as we would if we lived in a normally peaceful world. At the same time everybody is striving for bigger and better things. Consumers and workers want more of the good things of life; businessmen want to expand and improve their capital equipment; provinces want to build more hospitals and roads and construct new power projects; municipalities want more schools, housing developments and playgrounds.

"If we lived in a peaceful world we could carry out almost all these plans. But the plain fact is that we cannot have all this and defence too. With the total resources at our disposal we cannot improve our standards of living, work shorter hours, increase our rate of capital development, and in the same short time build up our essential defences. Something must give way.

"Everybody agrees that defence has the top priority. Inevitably, therefore, all of us will have to forego some of the things we want unless and until we can increase our output to a point where we can carry both our defence and our desired standard of living. This temporary reduction in standards of living is the real price we must all pay for the security and freedom which we prize above all else."

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ARMY "OVERSEAS PATCH": New formations patches, identical in colour to the French grey patch used in World War II by 3rd Canadian Division, have been approved for personnel of 27th Infantry Brigade, it was announced on September 24 by Army Headquarters.

Units of the brigade, which are expected to be assigned to duties with North Atlantic Treaty Organization forces in Europe, will wear the patch after being warned for overseas duty. In the form of a shield, the grey patch will have the word "CANADA" lettered in gold across the top.

There will be four variations of the shield. The Rifle Battalion with a rifle regiment horn, The Highland Battalion patch will be centred with a Scottish Thistle, and the Infantry Battalion with a bayonet. The general patch, bearing no central insignia, will be worn by all members of the brigade other than those of the three infantry battalions.

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JOBS FOR UNIVERSITY GRADUATES: During the spring and early summer of 1951 Canadian industry had produced openings for almost every university graduate who sought employment, in addition to summer employment for practically every undergraduate who wanted it, it was announced by the Minister of Labour, Mr. Gregg, on September 24.

Mr. Gregg was reviewing a report of the Executive and Professional Division of the National Employment Service which disclosed the unusually heavy demand for university graduates and undergraduates from nearly all faculties.

Heaviest demand for graduates was in the engineering field with openings for approximately 3,000, while the graduating class of engineers for 1951 numbered only 2,450.

In the engineering field the greatest demand was for mechanical engineers followed closely by heavy demands for civil and electrical engineers. The demand in all three branches of engineering was heavier than the supply. Graduates and undergraduates in commerce and economics were also in great demand.

While engineering graduates and undergraduates and those from the faculty of commerce and economics had the greatest opportunity for jobs there was a steady demand for graduates in other fields. Among the students in strong demand were those from the following faculties: chemistry and general science, medicine, pharmacy, forestry, physics, home economics, business administration, architecture, geology, nursing, and social work.

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CANADA-U.S. TRAVEL: Travel between Canada and the United States by rail, bus, boat and plane increased in both directions during the first six months of this year over the same periods of 1950, with the overall number of returning Canadians exceeding foreign visitors by slightly more than 25 per cent. Total number of visitors from the United States to Canada using these four modes of travel rose 4.5 per cent to 465,311 from 444,997 a year ago, while returning Canadians increased 9.2 per cent to 582,687 from 533,458.

NATIONAL STATISTICS

Visible supplies of Canadian wheat in store or in transit in North America on September 13 rose to 144,715,679 bushels from 142,010,038 a week earlier, and 114,190,670 on the corresponding date last year. Overseas export clearances of wheat during the week ending September 13 totalled 5,105,466 bushels against 3,326,618 a year ago.

Value of inventories held by Canadian manufacturers showed a further advance in July, and the Bureau of Statistics' monthly index, on the base 1947=100, rose to an all-time high of 183.2 as compared with 177.5 in the preceding month and 138.5 in July last year.

Department store sales rose nine per cent during the week ending September 22 as compared with the corresponding week last year.

Carloadings on Canadian railways during the week ended September 22 amounted to 88,466 cars as compared with 86,986 in the preceding week, and 90,261 cars in the same week last year when livestock, coal, lumber, crude oil and l.c.l. had been loaded in much heavier volume. Cumulative loadings to September 22 totalled 3,024,974 cars, a rise of 279,490 cars or 10 per cent over the same period of 1950.

CONSUMER CREDIT TRENDS: Retail sales in the second quarter of 1951 increased 12.5 per cent over the same period of 1950, with accompanying increases in dollar volume for all three segments -- cash, instalment and charge -- according to the quarterly report on retail consumer credit. Proportion of cash to total retail sales was higher, while proportions of both instalment and charge sales declined, the Bureau of Statistics announced September 27.

Total retail sales in the first quarter of this year advanced to \$2,605,200,000 from \$2,161,300,000 in the preceding quarter and \$2,315,100,000 in the corresponding period of 1950. Cash sales rose to \$1,907,100,000 from \$1,528,500,000 in the January-March period, and \$1,688,100,000 in the second quarter of 1950. Instalment sales advanced to \$184,900,000 from \$172,400,000 in the first quarter and \$171,300,000 a year ago, and charge sales rose to \$513,200,000 from \$460,400,000 in the January-March period, and \$455,700,000 in April-June last year.

Proportion of retail sales on a cash basis rose in the April-June period this year to 73.2 from 70.7 in the preceding quarter and 72.9 a year earlier. Instalment sales fell off to 7.1 per cent of total retail sales as compared with 8.0 in the preceding three months

and 7.4 per cent a year ago, while charge sales were reduced to 19.7 per cent as compared with 21.3 per cent in the January-March period and were even with the same period of last year

SEAL SKIN QUOTA: Canada's share of the 60,-689 Alaska fur seal skins resulting from this year's sealing operations on the Pribilof Islands in the Bering Sea is 12,138. Under the Provisional Fur Seal Agreement, to which the United States and Canada are signatories, Canada received 20 per cent of the skins taken.

During the past five years, this has brought about 13,000 skins to Canada each year, and their sale by the federal Department of Fisheries has meant an annual net revenue averaging more than \$660,000.

The skins are processed in plants at St. Louis, Missouri, and Toronto, the only two places on the continent where there are facilities for this work, which involves some 125 operations. Finished in several shades, brown and black, they are auctioned off to the trade. A sale of 2,600 furs was held in Montreal on September 11, from which the Department realized \$253,702.

The number of animals killed during the season each year is determined by the United States Fish and Wildlife Service which, under the international agreement, selects and supervises the operations in order to ensure the continuation of the herd. The Pribilof herd represents about 60 per cent of the world's fur seal population. Until the hunting of fur seals was restricted to the Pribilof breeding grounds, with stations on the islands of St. Paul and St. George, great numbers were killed at sea by pelagic sealers and the herd faced extinction. Pelagic sealing is now forbidden and about 3,000,000 animals make the annual migration each spring to the Pribilofs. (Trade News, Department of Fisheries).

JULY RETAIL TRADE \$828,000,000: Canadians spent \$828,000,000 in retail establishments in July this year. This was five per cent above the July 1950 total of \$789,600,000, but the increase was much smaller than any shown in earlier months of the year. There has been a trend towards moderating sales gains in the last few months, following a series of very pronounced increases in the early part of this year and late 1950. Sales of retailers were \$5,600,000,000 in the first seven months of 1951, up 14 per cent compared with the January-July 1950 total of \$4,900,000,000.

The outstanding feature in the retail field in the last few months has been the sharp contraction in sales of durable goods as compared with early in the year, the apparent result of government restrictions on instalment purchasing. Motor vehicle dealers' sales showed a fractional decrease from July 1950.

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WEEK'S EVENTS IN REVIEW

NORTH ATLANTIC COUNCIL SESSION: Following the conclusion of the Seventh Session of the North Atlantic Council in Ottawa on September 20, the Secretary of State for External Affairs, Mr. L.B. Pearson, reviewed the accomplishments of the meeting in a broadcast to the nation. Mr. Pearson said that results of the conference were all that could have been expected and added that the Canadian House of Commons would soon be asked to approve the decision to recommend the admission of Greece and Turkey as full members of the Organization.

At the conclusion of the meeting the chairmanship passed to Canada, the country next in alphabetical order.

Excerpts from Mr. Pearson's broadcast follow:

"During these five days we looked at the world through bifocal lenses. For most of the time we have been examining the urgent defence problems near at hand. They are, of course, and must be, our first concern for if we don't solve them we may not have any peaceful, more distant plans to worry about. However, during part of our session we ventured to look also at the remoter future, with all its hopes and possibilities; and we considered what steps could be taken to make that a better future by furthering the development of the North Atlantic community in a way which would promote the welfare of all its peoples.

"The North Atlantic Organization has already had great success since the treaty was signed more than two years ago. During that time we

have learned that if the aggressive forces of Communist imperialism are to be held in check, our collective defences in the North Atlantic area must be strong. If the Communists now attack this growing strength as provocative, they do so merely to deceive and divide us, because our strength and unity is their greatest fear. We know that to Soviet Russia, whatever its propagandists may say, not our strength, but our weakness, is the greatest provocation.

"So we are getting stronger. In a few months General Eisenhower's Atlantic force will form a far from weak shield against aggression. Canada, as you know, has been asked to provide a brigade group and 11 air squadrons for that force and measures have been taken to ensure that that commitment is honoured.

"Not only are strong forces being built up for the defence of the North Atlantic area, but co-ordinated military plans have been agreed on. Those plans will be realized more effectively and more speedily because of the meeting we have just concluded. Although Western Europe, then, remains the great fortress of freedom, there are other areas which are of great strategic importance, and which must be joined to that area, for the purposes of defence, if we are to succeed in convincing the Soviet Union that the free world cannot be attacked with impunity. For that reason a decision was taken at this meeting of the North Atlantic Council--an important decision --to recommend to our Governments and Parliaments that Greece and Turkey--the south flank

BRIGADE GROUP FOR NATO: Subject to the approval of Parliament, the 27th Canadian Infantry Brigade Group will, in November or December, proceed overseas to form part of the Integrated Force under the supreme command of General Eisenhower, the Minister of National Defence, Mr. Claxton, announced September 18. This brigade group will form part of the North Atlantic forces designed to preserve peace by preventing aggression.

In May of this year the Government authorized the raising of this brigade group and the replacement units necessary to provide rotation of personnel. By the end of August it was satisfied that individual and unit training had reached the point where the brigade group could be despatched overseas in the late autumn. Accordingly, we asked General Eisenhower his advice in regard to arrangements as to the location, accommodation and maintenance of the brigade group having regard to the military requirements of the Supreme Command, Mr. Claxton said.

GEN. EISENHOWER'S SATISFACTION

Late last week General Eisenhower sent word expressing deep satisfaction that the Canadians could be available in the autumn of 1951 and stressed the great importance which he attached to a Canadian contribution to the Integrated Forces of NATO at this juncture. For military reasons he was of the opinion that the 27th Canadian Infantry Brigade Group should be deployed in the Northern Army Sector in association with the United Kingdom, Netherlands and Belgian forces, and where suitable accommodation and training areas could be made available. General Eisenhower also stated that he would take a personal interest in the arrival and arrangements for accommodation of the Canadian force.

Word has been received from the War Office of the United Kingdom that we can count on their co-operation in carrying out this arrangement. Their cordial response is warmly appreciated.

The Government has therefore decided, subject to the approval of Parliament which will be sought at its session which will begin on October 9, to despatch the 27th Canadian Infantry Brigade Group to Europe in November and has authorized Army Headquarters to proceed with detailed planning for the movement overseas of personnel and equipment and for the accommodation of the brigade group in Germany.

Canada will contribute an air division of eleven fighter squadrons to the Integrated Force under General Eisenhower. Within a few weeks the first of these squadrons will be proceeding to the U.K. where it will be joined by two more squadrons, all being equipped with F-86E "Sabres". These three squadrons will comprise No. 1 Fighter Wing and will remain in the United Kingdom until facilities are available on the continent.

There it is expected that they will begin by being grouped with U.S.A.F. forces. Because much of its equipment is of the same type as that of the U.S.A.F., the R.C.A.F. squadrons will use, to a considerable extent, the U.S.-A.F. supply organization. This is also in accordance with the advice of General Eisenhower.

While in the U.K., No. 1 Fighter Wing will be based at North Luffenham, an airfield which will soon be operated by the R.C.A.F.

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ACCORD WITH ITALY: The Secretary of State for External Affairs, Mr. Pearson, and His Excellency The Honourable Alcide de Gasperi, Prime Minister and Minister of Foreign Affairs of Italy, have exchanged notes which settle, in a spirit of cordial friendship and mutual understanding, matters relating to Canadian claims for war damages in Italy and to Italian assets in Canada. Under this Agreement, the Italian Government will put at the disposal of the Canadian Government funds to be used for the satisfaction of Canadian claims for war damages in Italy. On the other hand, the Canadian Government will release immediately Italian assets in Canada.

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OLD AGE SECURITY REGISTRATION: Registrations for federal old age pensions had passed the half-way mark on September 21 with more than 228,000 applications already received out of an anticipated total of about 400,000.

The Minister of National Health and Welfare, Mr. Martin, announced that 228,900 applications for old age security pensions have been received at the regional offices in the provincial capitals. Latest registration figures by provinces are: Newfoundland 1,300; Prince Edward Island 2,400; Nova Scotia 10,000; New Brunswick 5,700; Quebec 49,600; Ontario 94,600; Manitoba 12,900; Saskatchewan 12,700; Alberta 12,300; British Columbia 27,400.

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TECHNICAL AID FOR CHILE: Technical assistance for Chile will be provided through the co-operation of the Bureau of Statistics, which is making available the services of Mr. W.F. Ewert, Chief of the Livestock and Animal Products Section, Agricultural Division, who will leave Ottawa September 20 by air for Santiago. There he will join the Technical Assistance Group of the Food and Agriculture Organization (FAO), a specialized agency of the United Nations, which requires someone of his experience to assist in agricultural estimating procedures and methods. The services of Mr. Ewert were secured through the International Economic & Technical Co-operation Division, Department of Trade and Commerce, on receipt of a request from the United Nations for technical assistance of this nature.

CANADA'S TRADE PICTURE AND OUTLOOK

MR. W.F. BULL'S ADDRESS: The following are excerpts from the address by Mr. W.F. Bull, Deputy Minister, Department of Trade and Commerce, to the Canadian Exporters Association, Montreal, September 20:

"One of the most interesting and significant developments which has taken place in Canadian foreign trade in recent years has been the changing pattern of our exports. Canada has traditionally sold about 65% of her exports in overseas markets, the other 35% in the United States. In 1950, and so far into 1951, this pattern has been exactly reversed. The redirection of exports points up some of the profound changes which have taken place in the world economy since the Second World War.

"How can we account for this changed pattern? In the first place it is a reflection of the power and expansiveness of the American economy. Secondly, since the increase in the United States buying is mostly in products of the forest and mine, it reflects the demand for raw materials and the depletion of United States natural resources....

"A third reason for the redirection of Canadian exports to the United States has been the lowering of American tariffs since the war....

UNITED STATES MARKET

"A final reason is the great effort which many Canadian exporters have made to get into the United States market when they were faced with declining sales in overseas countries....

"The fact that the United States was able to take much increased quantities of our goods at the time when overseas sales were declining is indeed fortunate for the well-being of the Canadian economy. Nevertheless, it is advisable that we attempt to develop greater diversification in our exports. Apart from the obvious danger of being overly-dependent upon one market, the United States is not now nor is it likely to be a satisfactory long-term market for such products as wheat, flour and manufactured goods. For this reason also the Canadian Government attaches great importance to overseas markets and has placed constant pressure on the British authorities for the relaxation of sterling area controls against dollar goods.

"I believe that we should have clear minds on the future possibilities of exports of manufactured goods - particularly of those to the Sterling Area. Even if all restrictions against dollar goods were removed by the Sterling Area countries, I do not believe that we would quickly return to the quantitative level of exports of 1948, for example. The recent industrial development which has taken place in many overseas countries, including much of the Sterling Area, has been on a large scale. Australia, for example, has undergone indus-

trial development, only slightly less extensive than that of this country.

"Often this development has taken place under the protection afforded by exchange controls, import quotas and other restrictions. It seems likely, particularly in the countries where nationalism is strong, that this trend will be continued. Under such circumstances it is obvious that future Canadian exports of manufactured goods will be influenced by the extent of these changes. Further, we should remember that the high level of our immediate post-war exports to the Sterling Area was achieved largely because of the dislocation of the United Kingdom economy and its resultant inability to supply in sufficient quantity. This is not to be taken as a brief for the adoption of a do-nothing policy. The industrialization of our customers should actually lead to an expansion of Canadian export markets for components, equipment and basic materials, if we are allowed to compete.

"The redirection which has taken place in exports is not matched on the whole by an equivalent redirection of imports. At present we are buying about 67% of our imports from the United States as compared with 62% just before the war. The reserve is, of course, also true. We are now buying about 33% from the United Kingdom and other overseas countries as compared with 38% before the war. We should gladly accept a larger proportion of our needed imports from overseas countries whenever they can be made available for us in larger quantities and in types suitable to our markets....

GOVERNMENT NOT SATISFIED

"The Canadian Government is not satisfied with the present trade balance with the Sterling Area. We want to achieve balances at a high level of trade, and not to continue at the low levels which presently prevail with the Sterling Area. The balance which has been obtained with the Sterling Area is due much more to their restricting of imports from Canada than to their increasing of exports to this country. We have stressed with the British authorities, just as we have stressed with all other overseas countries, that we want to increase our imports from them. In recent months the difficulties surrounding the increasing of these imports have been intensified by the conflicting demands of rearmament, particularly in Britain. Even in these circumstances, however, we believe that the sterling countries can strengthen their own position in many ways by increased trade with Canada in both directions...."

Referring to Canada's unfavourable trade balance, Mr. Bull said:

"Although this balance shows up in the total figure, it is, of course almost entirely

an unfavourable balance with the United States. The deficit with the United States for the first seven months of this year amounted to \$376 million, compared with \$88 million in the same period of last year. The reason for this is that, although our exports have increased, imports have increased to a much greater extent. Our imports from the United States, again in the first seven months, are \$532 million greater this year than last.

"It is notable that Canadian official holdings of gold and United States dollars have held remarkably steady this year. In December 1950 these amounted to \$1,742 million; in June 1951 to \$1,683 million. How can we account for this in the face of our large trade deficit? It is because of the large capital inflow from the United States, for resource development and for direct investment in Canadian secondary industries. Americans have been buying recently Canadian securities on an extensive scale. For the first time since the 1920's there has been a revival of Canadian borrowing in the United States, particularly on the part of municipalities.

CANADIAN BUYING IN U. S.

"Offsetting this capital inflow has been heavy Canadian buying in the United States. This is particularly for the capital investment programme in Canada, which this year will attain unprecedented levels. Secondly, consumer buying has been very heavy. Thirdly, higher prices have forced up the value of our imports to a considerable extent. Finally defence buying has commenced on a large scale...

"It is not easy to foresee the future of our balance of payments with the United States. Capital investment will certainly be maintained and this should maintain the imports of machinery and equipment. Consumer buying is not likely again this year to reach the very high levels prevailing in the early months. In fact, this buying declined during the summer and this is probably the main reason for the lower imports from the United States in June and July. Prices of some basic materials, particularly cotton, are likely to decline and this should lower the value of imports for these products. Defence buying will increase.

"Offsetting these imports are probable greater exports to the United States. Exports of raw materials in the second half of the year are likely to be greater than in the first half. Increased American defence expenditures may be made in this country. On the capital side of the account, there is no particular reason for believing that the rate of capital inflow will fall off to any substantial extent. Considering all the factors, I do not believe that Canada is faced with a balance of payments problem at present which warrants any direct government action."

COLOMBO PLAN GUESTS: Three agricultural specialists from Ceylon and one from India have arrived in Ottawa under the fellowship scheme of the Technical Co-operation Programme of the Colombo Plan, and are expected to remain in Canada for two years. A dietitian and a mining engineer have also arrived to study Canadian methods that may be applied in India, on their return to that country.

The agricultural specialists from Ceylon are: John Stanley Leonard White, an instructor in agriculture, Department of Agriculture; Ramaswamy Sathasivampillai, a farm manager in the Department of Agriculture; and Leslie Edgar Arnold Fonseka, a farm manager in the Department of Agriculture.

The specialists from India are: Chandrasekhar Seshadri Iyer, a tractor engineer at Nagpur, State of Madhya Pradesh; Miss Thankamma Kuttentpillai Subhadramma, a dietitian in the Public Health Department of the State of Travancore - Cochin; and B.D. Prusti, a mining engineer interested in geophysical prospecting.

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CRUDE PETROLEUM RECORD: Canadian production of crude petroleum and natural gasoline reached new peak levels in June and the first six months of this year. The month's output was six per cent above the previous high in May, and more than double last year's June total. In the half-year, there was a rise of almost 60% as compared with a year earlier. The increase in the month and six months was principally due to marked gains for the Leduc and Redwater fields of Alberta. Production from Turner Valley was lower both in the month and cumulative period.

All-Canada output in the month amounted to 4,756,710 barrels as compared with 4,474,183 in May, and 2,181,342 in June last year. In the half-year, 19,970,129 barrels were produced as against 12,498,255 in the similar period of 1950.

Alberta accounted for 4,605,548 barrels in June compared with 2,043,792 a year earlier, and in the six months totalled 19,123,717 barrels against 11,782,870.

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U.K. TAX AGREEMENT EXTENDED: The Canada-United Kingdom tax agreement which has been in force since 1946 was extended on September 25 to cover twenty-one Colonial territories of the United Kingdom. This was formally effected by an exchange of notes between the two Governments under the provisions of the existing agreement.

This action has the effect of widening substantially the scope of beneficial tax arrangements covering Canadian trade and investments abroad. Details regarding the territories falling under these new provisions and the time of their coming into force will be found in the Canada Gazette.

(Continued from p. 1)

NORTH ATLANTIC COUNCIL SESSION

of the Atlantic community--should be admitted as full members of the organization. Our House of Commons will soon be asked to approve that decision.

"The purpose of this action, and of every other decision we have taken--we can never stress this too much--is to prevent war. Not one of the countries represented on the North Atlantic Council has succumbed to the fatalistic fallacy that war is inevitable or to the view that any activity which does not lead to an immediate increase in military strength is irrelevant and unnecessary in the present state of the world. We must keep it that way.

"Convincing proof of the peaceful intention of our alliance is found in the fact that during these past few days in Ottawa we have devoted many hours to a serious and heartening discussion of the non-military aspects of the treaty. This marks, I think, an historic turning point in its development. There is much still to be done in building up our joint military forces before we can feel any sense of security against the menace of Soviet Communist aggression. But we can, I think, safely permit ourselves now to give some thought also to the more distant future.

NORTH ATLANTIC COMMUNITY

"To build the North Atlantic community, as we are now pledged to do, will not be a short or easy task. It will be many, many decades before we finish that job--and it cannot be done by airy phrases. But we begin with great advantages. The development we are projecting will be no artificial process. It will be the natural growth of something that exists at present. Already, there is a strong and growing sense of community between the North Atlantic nations. What we are now proposing is to see how this can be progressively and practicably developed in a way which will promote the welfare of our peoples.

"There is, of course, a relationship between the short-term and long-term objectives of NATO, apart from the fact that if we do not achieve the former there may not be any of the latter. The most immediately pressing problem is the actual collection of adequate defensive strength. But allied to that is how this burden of defence is to be shared. When the sacrifices that are involved in a common effort are shared as fairly as is possible in this imperfect world, the community gains strength which enables it to go forward and solve new problems.

"But defence, as such, is not the only burden. The European delegates, coming from countries still not fully recovered from the losses and destruction of the last war, have been reminding us that a corollary problem is, how to share the burden of existence. The necessity for increased defence production has

already caused sharp economic difficulties in all the North Atlantic countries -- in some more than in others; and these difficulties would certainly be aggravated if it were to be found that the tempo of rearmament had to be accelerated still further....

"So, this week in Ottawa, we discussed as our main topic, this problem of co-operation in the fields of defence production and defence finance and we made arrangements for these discussions to be carried further before the next meeting later this Fall in Rome. At that meeting, some fundamental decisions will have to be taken on how to match our economic resources with our defence needs.

"The degree of success that we attain in defence co-operation may largely determine the progress we can make in promoting the growth, generally, of the North Atlantic community. But the time has come to look even further into the future to a period when the problems of defence will not loom so large as they do today and when defence burdens, we may hope, will be lighter. Accordingly, a Committee of Ministers--of which Canada is to supply the Chairman--was set up at this council meeting to examine the possibilities of closer economic, financial and social co-operation on a permanent basis. This Committee will also investigate what should be done to produce the maximum amount of co-ordination between the foreign policies of the various North Atlantic countries and to facilitate the flow of information and of ideas among them.

NO ARBITRARY BOUNDS

"Although this developing Atlantic community, of necessity, must have a certain geographical basis, it is conceived in no exclusive or selfish spirit. It recognizes no arbitrary bounds, for it is the defensive core of the whole free world. Many other peoples share its aspirations; and it would be folly to weaken in any way the ties -- commercial, sentimental, political--that its members have with other free countries.

"The gates of the North Atlantic community should, I think, be kept open, even toward those who would now destroy it. I do not want to be misunderstood in saying this. I know that the menace of Soviet military power is so great that we cannot slacken in the work of building collective defences. That feeling underlay all our talks at our council meeting. We agreed also that we should be very wary of false peace campaigns intended to weaken and divide us. On the other hand, we were equally convinced that we should never reject any genuine move for 'peace'; that we should test each move by the deeds that follow it; that we must not seal ourselves off from the Soviet Union and its satellites since, ultimately, our way of life may even succeed in penetrating the isolation in which the Russian people have been placed by their Government...."

DEFENCE EXPENDITURES SHOW LARGE INCREASE

UP \$221,000,000: The Comptroller of the Treasury's statement shows that revenues for the month of August totalled \$313.9 million compared with \$205.3 million for August 1950. Revenues for the first five months of the fiscal year amounted to \$1,516.9 million compared with \$1,067.1 million for the same period of the previous fiscal year, an increase of \$449.8 million.

Individual income tax collections were \$123.9 million higher at \$398.3 million due in part to higher levels of personal incomes and in part to the defence surtax imposed in the 1951 budget. Corporation income tax receipts for the first five months of the current fiscal year were \$173.3 million higher, at \$425.1 million, reflecting higher 1950 earnings and the increased tax rates imposed in the September 1950 and April 1951 budgets. Customs import duties increased \$50.0 million due to the continuing high level of imports. Excise tax collections were \$130.5 million greater than in the comparable period of 1950-51 reflecting increased consumer expenditures, higher price levels, and the increased tax rates imposed in the 1951 budget.

Total expenditures of the Government for the month of August were \$221.0 million compared with \$165.5 million in August 1950. The increase of \$55.5 million was due mainly to expenditures of the Department of National Defence being \$53.8 million higher than in the

month of August 1950.

In the first five months of the fiscal year expenditures totalled \$1,015.0 million compared with \$774.4 million in the same period a year ago. This increase of \$240.6 million was due largely to an increase of \$221.2 million in expenditures for Canada's defence programme.

Expenditures of the Department of National Defence amounted to \$86.6 million in August and \$365.0 million in the first five months of the fiscal year. This compares with total appropriations for this Department of \$1,614 million for the year as a whole. Expenditures of the Department of Defence Production, for which there was no comparable item last year, totalled \$6.8 million for the five month period compared with total appropriations of \$115 million for the fiscal year. The monthly rate of defence expenditures in the second quarter of the fiscal year to date has increased to \$95 million from a monthly average of \$60.5 million in the first quarter. Although defence expenditures are increasing Mr. Abbott pointed out that they do not as yet reflect fully the accelerated programme approved by Parliament.

Revenues for the month of August exceeded expenditures by \$93 million; in August 1950 the excess was \$39.8 million. The accumulated budgetary surplus for the first five months was \$501.9 million compared with \$292.7 million in the same period of 1950.

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JULY EXPORTS UP 47 PER CENT: Canada had a small credit balance on foreign trade with all countries at \$7,900,000 in July -- the first this year -- as compared with a debit balance of \$2,700,000 in the corresponding month last year, according to the final monthly summary of foreign trade released by the Bureau of Statistics. During the first seven months of this year the deficit on foreign trade account was \$331,900,000 as compared with only \$7,700,000 in the similar period of 1950.

The favourable July balance resulted from a sharp upswing in the value of exports, which, although at high levels, was earlier lagging behind imports. Total exports in the month rose 47% to an all-time high value of \$378,600,000 from \$256,700,000 a year earlier, while imports increased 43% to \$370,600,000 from \$259,500,000.

In the seven months ending July the combined total of domestic and foreign exports, at current values, was \$2,141,100,000 as compared with \$1,704,800,000 in the same period of 1950, and merchandise imports totalled \$2,473,000,000 as against \$1,712,500,000.

On a constant 1948 dollar basis -- monthly data which are presented in the Monthly Summary for the first time -- the value of Canada's total exports in July was \$304,400,000 as compared with \$234,800,000 a year earlier,

and the value of imports was \$285,300,000 as against \$237,600,000.

Measured by the special index numbers compiled by the Bureau, the volume of domestic exports was 30% greater in July than a year earlier and the volume of imports 20.5% greater, while prices of domestic exports were 13% and price of imports 18.5%. Based on 1948 equals 100, the index for volume of domestic exports stood at 117.5 for July, the highest figure for the period shown, as against 90.2 for July, 1950. For imports, the volume index for July was 129.9, below April and May this year, and compared to 107.8 for July last year. Price index for domestic exports was 124.3 compared to 109.7, and for imports 129.9 compared with 109.6.

Debit balance on foreign trade account with the United States in July was \$29,800,000 -- sharply below earlier months of the year -- as compared to a credit balance of \$100,000 in July a year ago. For the seven months the debit balance amounted to \$373,900,000 as against \$87,500,000 a year ago.

Total exports to the United States were valued at \$204,900,000 in July as compared with \$170,700,000 a year earlier, and in the seven months aggregated \$1,331,900,000 against \$1,087,700,000 in the same period of 1950.



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WEEK'S EVENTS IN REVIEW

NATO MEETS IN OTTAWA: The Ottawa meeting of the North Atlantic Council opened with a public session in the Canadian House of Commons chamber at 12:30 p.m., September 15. Delegates were welcomed by the Canadian Prime Minister, Mr. Louis S. St. Laurent, who stated that, in the Commons chamber, they were "at the very heart of Canadian democratic tradition".

Mr. St. Laurent said that if asked to suggest a theme for the deliberations, "I would say that you were here, on behalf of your respective peoples, to allocate the price of peace and determine how better to maintain it". He said: "At first glance, there might seem to be little in common between a stevedore in Marseilles, a fisherman in Norway, an insurance agent in New York and a hop picker in Kent. But we all share enough in common to have been able not only to create the North Atlantic Alliance but to have given it a very strong impetus. In less than three years this Alliance has made such progress that it is answering the immediate needs and the profound aspirations of the signatories of the Treaty." Mr. St. Laurent continued:

"The immediate needs were and still are our joint security; the measures of a military and economic nature which are now under way, if implemented rapidly and efficiently, should be a persuasive deterrent against another war."

"You are also considering the long-term policies of the Treaty. Our North Atlantic

community, born of the cold war, now not unprepared for a shooting war if one should be forced upon us, should also be ready for peace. Lasting peace will not come tomorrow, nor the day after. But we must be ready just the same."

"Any policy, be it national or international, is founded on a certain concept of the nature of man. The closer a policy comes to helping man fulfil his destiny in all its richness, the more perfect is that policy; the more it sets barriers to the attainment of progressive human development, the more inhuman and wrong it is."

"There are fundamental laws of human life which the stevedore, the fisherman, the insurance agent and the hop picker hold in common. These laws are the cornerstone of our North Atlantic community. The North Atlantic community, if it is to progress and endure, must respect these laws; otherwise our alliance, like so many others in the past, will vanish and new divisions will overtake nations."

"We need to consolidate our moral positions while we develop our strength. The stronger we become, the greater will be our responsibility not only towards the peoples of our respective countries but also towards other nations. This North Atlantic Pact is not exclusive; it is an association of like-minded populations trying to work out in harmony, with the means placed at their disposal by Providence, the day to day problems which beset them. Today the prob-

ASSISTANCE UNDER COLOMBO PLAN. The Department of External Affairs announced on September 10 that the Governments of Canada and Pakistan had agreed on a statement of principles for the co-operative economic development of Pakistan under the Colombo Plan.

The principles were confirmed by an exchange of diplomatic notes in Karachi on September 10.

The principles provide that Canadian aid to Pakistan may be provided on either a grant or loan basis, depending on the nature of the projects to be financed. Projects of an essentially commercial nature would be eligible for loans; others of a basic public utility or developmental character would be eligible for grants.

In addition, the Governments have tentatively agreed on the projects to be undertaken in Pakistan with Canadian assistance during the first year of the Colombo Plan. These projects, amounting in all to some \$10 million, include capital works and equipment (dump trucks, motors, pumps, etc) in connection with a large settlement scheme in the Thal Area, experimental and demonstration work in the field of live stock, and some electrical and transport equipment.

If, for any reason, any of these projects prove impracticable others will be substituted in the programme.

The text of the Statement of Principles follows:

COLOMBO PLAN

STATEMENTS OF PRINCIPLES agreed between the Government of Canada and the Government of Pakistan for Co-operative Economic Development of Pakistan.

The Governments of Canada and Pakistan, together with other governments, took part in London in 1950 in drawing up the Colombo Plan for Co-operative Economic Development in South and South-East Asia. The Governments of Canada and Pakistan now desire to co-operate for their mutual benefit, and in particular for the achievement of the purposes of the Colombo Plan, by promoting the economic development of Pakistan. Therefore the Governments of Canada and Pakistan now wish to establish agreed principles under which economic aid from Canada will be provided to Pakistan for the purposes of the Colombo Plan, and according to which supplementary agreements may be made to cover specific programmes.

The Governments of Canada and Pakistan agree to the establishment of the following principles:

1. All economic aid supplied by the Government of Canada to the Government of Pakistan under the Colombo Plan shall consist of goods and services in accordance with specific programmes agreed upon from time to time between the two Governments. Similarly, agreement will be reached on the methods of procurement and transfer.

2. In order that Canadian aid may cover different types of projects, different forms of financing may be used; in particular, Canadian aid will be available on either a grant or a loan basis, depending on the nature of each specific programme and the uses to which the goods and services supplied under it are put.

3. The particular terms of each specific programme will be a matter for agreement between the two Governments, subject to the following general provisions;

(a) Grants: In any specific programme under which goods financed by grants from the Canadian Government are sold or otherwise distributed to the Pakistan public "counterpart funds" will normally be set aside. The Pakistan Government will set up a special account for these funds and will keep separate records of the amounts placed in the account in connection with each specific programme. It will pay into this account the rupee equivalent of the Canadian expenditures on goods and services supplied under any such programme. The Government of Pakistan will from time to time report to the Government of Canada the position of this account and will supply a certificate from the Auditor General of Pakistan. The two Governments will from time to time agree on the economic development projects in Pakistan to be financed from this account.

(b) Loans: For the specific programmes which are agreed to be appropriate for financing by means of loans the terms of the loans will be determined by the two Governments. These terms will relate primarily to the commercial character of the particular project in question, to its anticipated earnings, and to its anticipated effects on the foreign exchange position of Pakistan.

A similar agreement was concluded between the Governments of Canada and India.

CANADIANS DETAINED IN CHINA: The Department of External Affairs announced on September 10 that the United Kingdom Chargé d'Affaires in Peking made representations on September 1 to the Minister of Foreign Affairs of the Central People's Government of China expressing the grave concern of the Canadian Government of China's policy towards Canadians and requesting that measures be taken in the near future to bring about an improvement in this situation. The Canadian Government has availed itself of the good offices of the United Kingdom Chargé d'Affaires in the absence of a Canadian representative in Peking.

Representations were made in April about the arrest of United Kingdom, Australian, Canadian and United States nationals and their detention incommunicado often without any explanation of the reason for their arrest. However, the position has in fact deteriorated since that time. Arbitrary arrests and detention for indefinite periods without access to families, friends or national representatives have continued. Harsh treatment has been inflicted on missionaries of all denominations and on other people who have for many years been engaged in humanitarian work in China. In addition continual difficulties and delays are placed in the way of all classes of foreign nationals wishing to obtain entry and exit permits.

The treatment inflicted on Canadians in China is a matter of continuing concern to the Canadian Government which welcomed the opportunity of being associated with the approach of the United Kingdom Chargé d'Affaires to the Peking Government, who spoke on behalf of the Governments of the United Kingdom, Canada, Australia and the United States.

It will be recalled that seven Canadians are known to be under arrest in China. Five Sisters of the Immaculate Conception are being detained in Canton; Dr. Stewart Allen, a United Church Medical Missionary, is under arrest in Szechwan; Bishop C.M. O'Gara of the Order of the Passionist Fathers was arrested at Yuanling and is now reported to be in hospital but there is no indication that he has been released from detention.

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RCAF APPOINTMENT TO NATO: The Chief Logistics Planner of the RCAF, Group Captain E.C. Luke, OBE, CL, 47, of Westmount, P.O., has been appointed to the staff of General Lauris Norstad, head of the Allied Air Forces Central Europe, it was announced on September 10 by Air Force Headquarters. G/C Luke sailed from New York on September 18 to take up his new duties at Fontainebleau.

With NATO, G/C Luke will be engaged in staff duties dealing with logistics and airfield installations under General Norstad.

Educated at the Royal Military College, Kingston, G/C Luke was commissioned in the

RCAF in 1925 and initially was employed in forestry and photographic operations in Northern Manitoba and Saskatchewan. He left the Air Force in 1928 and for ten years was engaged in civil and structural engineering in British Columbia.

He rejoined the RCAF in 1938 and for the first two years of the war had an active part in the physical build-up of Air Force units for the British Commonwealth Air Training Plan. He left Air Force Headquarters in 1941 and spent the rest of the war as a senior staff officer at Western Command Headquarters, Vancouver.

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WORLD METEOROLOGICAL ORGANIZATION: Canada will be represented at the meeting of the Executive Committee of the recently formed World Meteorological Organization to be held at Lausanne, Switzerland, on October 3 next, by Andrew Thomson, Controller of the Meteorological Service of Canada, according to an announcement made on Sept. 17 by the Minister of Transport, Mr. Chevrier. The World Meteorological Organization was formed last April as a United Nations body to replace the 79-year old International Meteorological Organization. Mr. Thomson, who was an officer in the former organization is Canada's representative on the Executive Committee and is President of the North American Regional Association.

Prior to attending the Lausanne meeting, Mr. Thomson will join with other leading world meteorologists in honouring the Austrian Weather Service on the centenary of the establishment of its Central Institute for Meteorology and Geodynamics. This gathering is unique in the annals of meteorology and will permit the reviewing of scientific progress over the years by the Austrian Weather Service, and also by the Services of the countries represented.

The meeting of the Executive Committee of the World Meteorological Organization is faced with an extensive agenda in connection with the organization of that body. One of the important undertakings will be to centralize under the secretariat, which is located in Switzerland, much of the meteorological activity which had hitherto been done gratuitously by the various national weather services, and to appoint a staff of scientists to do this work.

The World Meteorological Organization executive will also consider the formation of an International Institute as a scientific organization to standardize meteorological equipment, reports and facilities. Consideration will also be given to the preparation and issuing of an official meteorological periodical in English and French. Technical regulations will be drawn up and financial assignments will be made for carrying on the programme during the next fiscal year.

NEW ZEALAND BUTTER: The Minister of Trade and Commerce, Mr. C. D. Howe, announced on Sept. 13 that discussions were held in Ottawa during the past few days with respect to the purchase of New Zealand butter by Canada. Mr. W. Marshall, Chairman of the New Zealand Dairy Produce Marketing Commission, came to Ottawa from New Zealand for this purpose. The negotiations leading to the recent purchases of butter from certain European countries and New Zealand by the Agricultural Products Board were reviewed and misunderstandings which had arisen were discussed frankly.

The Agricultural Products Board has purchased 10 million pounds of butter for importation during the coming months, of which 3 million pounds are to be supplied by New Zealand and 7 million pounds by Sweden, Denmark and The Netherlands. These purchases were negotiated at various prices and terms of delivery. From Sweden, the Board purchased 3 million pounds of butter packed either in casks or boxes at a duty paid price of 60½ cents when packed in casks and 61 cents when packed in boxes, basis Montreal; delivery is spread from September to November. From Denmark, 3 million pounds packed in casks were purchased at a duty paid price of 60½ cents, basis Montreal; delivery spread from September to November. From The Netherlands, 1 million pounds packed in casks were purchased at a duty paid price of 60 cents, basis Montreal; delivery spread from September to November. From New Zealand the Board purchased 3 million pounds of butter, packed in boxes, at a duty paid price of 63 cents, basis Montreal and Vancouver, delivery to be spread from November to February.

IMPORT PERMITS

In addition to the purchases of butter by the Agricultural Products Board, the trade have been given import permits for approximately 4½ million pounds of butter from certain European countries because contracts had been made by the trade prior to August 1, the date at which the Government took control of the imports of butter. New Zealand, in accordance with the wishes of Canadian authorities, did not offer butter to the trade at that time and, as a result, as events subsequently developed, lost the opportunity of participating in this business. It was agreed that the turn of events was unfortunate for New Zealand.

New Zealand representatives thought that the price at which they had offered to sell butter to the Agricultural Products Board was competitive in view of its acceptability to the trade, storing qualities, and the optional delivery dates. The Canadian representatives considered that under Article XVII of the General Agreement on Tariffs and Trade the Government, on becoming the sole importer of butter, was obliged to obtain bids from those countries participating in the General Agree-

ment which had butter for export. In view of these international obligations and of the bids received, the Canadian representatives were of the opinion that the purchases made by the Agricultural Products Board were appropriate.

Mr. Howe expressed his appreciation of Mr. Marshall's visit and said that the spirit of the discussions and the conclusions reached reflected the goodwill that exists between New Zealand and Canada.

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NATIONAL STATISTICS

Canada's domestic exports broke new ground in July, rising to an all-time high value of \$374,500,000, a gain of 47.6% over last year's July total of \$253,700,000. The high July value raised the total for the January-July period to \$2,114,700,000 from \$1,684,300,000 a year ago****Cost-of-living indexes for seven of the eight regional cities moved up between July 3 and August 1. The index for Montreal fell 0.3%, while the advances ranged from 0.3% for Winnipeg to 1.2% for Edmonton****Cheques cashed against individual accounts rose 12% in July, totalling \$9,031,986,000 as compared with \$8,101,957,000 in the same month last year****Dollar sales of wholesalers in July were seven per cent in excess of sales volume for July last year, but were two per cent below June. The unadjusted index for the month was 335.5****Wholesale prices rose to a higher level in July, the general index number on the base 1935-39=100, standing at 244.2 as compared with 242.7 in the preceding month and 212.0 in July last year****Department store sales in Canada -- excluding Newfoundland -- remained practically unchanged in July as compared with the same month last year, totalling \$54,490,000 as compared with \$54,780,000****Factory shipments of Canadian-made motor vehicles in July totalled 30,294, down 25% from a year earlier. Most of the decline was due to a falling-off in shipments of passenger cars****Carloadings on Canadian railways during the week ending September 1 amounted to 82,535 cars as compared with 82,585 in the preceding week and 47,702 in the corresponding week last year****Wheat flour production during the crop year 1950-51 amounted to 23,620,000; a gain of 16.5% over the preceding year, and slightly above the 10-year average for the period 1942-1951****Average weekly wages in Canadian manufacturing industries at July 1 this year rose to \$49.29 from \$44.16 a year earlier, while average hourly earnings advanced to 118.2 cents from 103.9 cents. Average hours declined slightly to 41.7 from 42.5. Weekly wages at July 1 this year in durable goods advanced to \$53.21 from \$47.96, and the average for non-durable goods rose to \$45.08 from \$40.39. Hourly earnings in the durable goods group moved up to 126.7 cents from 111.8 cents, and in the non-durable goods class to 108.9 cents from 95.7 cents.

PRAISE FOR ORGANIZED LABOUR

TRADES AND LABOUR CONGRESS: In a speech delivered at the annual convention of the Trades and Labour Congress at Halifax, N.S., on September 13, the Minister of Labour, Mr. M.F. Gregg, outlined ways and means for enabling workers to make a maximum contribution to Canada's preparedness programme. Mr. Gregg then spoke in part as follows:

"Let me trace some of the recent developments in federal legislation in which you have shown an interest.

"The Government has undertaken that a Parliamentary Committee will be established at the next regular mid-winter Session of Parliament to study plans for national health insurance.

"Efforts are constantly being made to improve the usefulness of our Unemployment Insurance Act. You will remember that extensive amendments were made in 1950. A system of supplementary benefits was provided for, designed to protect workers who became unemployed during the winter months, and who had exhausted their right to ordinary benefit. The rates of contribution and the maximum weekly benefit were revised upward.

ACT AMENDED

"In 1950 the application of the Act was extended to cover persons earning as high as \$4,800 a year and logging and lumbering workers in all parts of Canada.

"The work of improvement continued during this past year. Hearings were held to examine the proposal to bring the employees of hospitals and charitable institutions under the coverage of the Act.

"The regulations concerning seasonal workers were amended so as to remove certain anomalies.

"New regulations were passed to deal with the vexing problem created by some married women who had been collecting unemployment insurance benefit although not seriously seeking employment.

"In the field of education, the Government has made a start in implementing the recommendations of the Royal Commission on National Development in the Arts, Letters and Sciences by making a grant of \$7,100,000 to the Provinces for aid to the Universities. A more comprehensive programme in line with the Commission's recommendations, is now under consideration.

"As advocated by the Commission, the Government plans to maintain and improve the services rendered by the Canadian Broadcasting Corporation and the National Film Board.

"Of particular interest to you is the change made this year in the Income Tax Act which permits trade union members to deduct trade union dues from their taxable income.

"Action is now being taken to revise the basis of the cost-of-living index -- action in

which representatives of the Trades and Labour Congress and the Canadian Congress of Labour are participating.

"In co-operation with two other Departments of the federal Government, and in conjunction with Provincial authorities and voluntary agencies, my Department has been active in working out a national plan for the rehabilitation of the physically handicapped. You are well represented on this combined operation, and following the Toronto Conference last February, progress is being made.

"Likewise an aggressive campaign has been conducted for the employment of the older workers of Canada. You may be interested to know that in the over 45 year old group, there was a drop of 17% of those unplaced in jobs at midsummer this year as compared with the same time last year.

"Encouragement has been and is being given to management, where collective bargaining relationships exist, to consult with their employees on ways and means for increasing production through Labour-Management Production Committees within their plants. Over sixty new committees have started to function this year.

ADDITIONAL PROPOSALS

"I have spent some time reviewing recent federal legislation and projects. I am glad to tell you now that further progress in this regard will be made.

"Some of the provisions of the Industrial Relations and Dispute Investigation Act are being studied in the light of the representations of your Congress this year.

"The Government proposes to take advantage of the first opportunity to introduce legislation amending the Canadian Government Annuities Act. The effect of the amendments will be to liberalize the contract conditions which now prevail in Government Annuities.

"In addition, the approval of Parliament will be sought for another amendment to the Unemployment Insurance Act to shorten the so-called 'waiting period'.

"We have been making progress then in many fields of federal action. And organized labour can take a goodly share of the credit for this progress. As a matter of fact, the working men and women of this country can be very proud of the contribution they have been making to the present state of the Canadian nation.

"For no one needs to worry about Canadians. We are a vigorous and an independent people who believe in social and political stability. And we have prosperity; at the present time, more Canadians are at work than ever before, and the salaries and wages which they earn are the highest on record."

Mr. Gregg concluded by advocating individual restraint by consumers, businessmen and labour and greater production by all.

MR. HOWE'S ADDRESS AT GATT: "Whether we have prosperity or depression and whether we have war or peace, there is always someone to clamour for tariff protection and quantitative restrictions to solve some immediate problem that besets the world". So spoke the Minister of Trade and Commerce, Mr. C.D. Howe, on September 17 at the Sixth Session of GATT at Geneva. Mr. Howe added:

"Sometimes, of course, restrictions are unavoidable for brief periods of time, and the General Agreement contemplates circumstances in which countries are quite entitled to resort to them. Along with many other countries, Canada found herself in serious balance of payments difficulties during the period of readjustment which followed the last war. Our currency reserves were seriously depleted at that time and immediate action was essential to prevent a critical situation. In the circumstances, it was deemed necessary to impose import controls and this we did.

"I am happy to report that all of our emergency restrictions on imports were removed some time ago. Canada is now exporting and importing more than ever before.

"All countries today are short of certain raw materials and often the shortages are serious. We in Canada produce many of these raw materials in abundance and every day we are approached by other countries which are interested in scarce supplies. Sometimes these very countries are still maintaining import restrictions against our goods, restrictions that were imposed some years ago for balance of payments reasons. At the same time, we find other countries imposing import controls on the very commodities of which they claim to be in the most urgent need. It is evident that such controls contravene the spirit of the General Agreement, when they come to be regarded as permanent fixtures by the countries which impose them.

"The Government of Canada believes that it is of paramount importance that the responsibilities and commitments undertaken through the General Agreement should be observed in the letter and in the spirit of the General Agreement. Any deviation from the practice plays into the hands of the enemies of the Agreement."

* * * *

AMBASSADOR TO BRAZIL: "The Department of External Affairs announced on September 18 the appointment of Dr. E.H. Coleman, who has been Canadian Ambassador to Cuba, as Canadian Ambassador to Brazil to succeed Mr. J.S. Macdonald who has been appointed Canadian Ambassador to Yugoslavia.

It is expected that Dr. Coleman will take up his new appointment some time during November.

Dr. Coleman was born on July 21, 1890. He was educated at Carleton Place High School and the University of Manitoba. He was called to the Bar of Manitoba in 1922 and was subsequent-

ly created King's Counsel (Dominion) 1929. He was Dean of the Manitoba Law School from 1929-33. He was appointed Under-Secretary of State and Deputy-Registrar General of Canada in 1933 which position he held on his appointment as Canadian Minister to Cuba in January 1949. In 1937 the University of Manitoba conferred upon him the degree of LL.D.

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CIVIL DEFENCE: Affiliation of the federal Civil Defence Technical Training School at Connaught Ranges, near Ottawa, with the British Civil Defence Technical Training School at Taymouth Castle, near Aberfeldy in Scotland, was announced on September 17 by the Minister of National Health and Welfare, Mr. Martin.

Mr. Martin, in making the announcement, pointed out that, for the past many months, the civil defence authorities of Canada and of the United Kingdom have been working in close harmony. Key personnel in the Canadian federal civil defence organization had been trained by experts in civil defence in Britain.

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NATO MEETS IN OTTAWA (Cont'd. from p.1)

lem of security is paramount in our minds; but we would all rather devote our energies in more humanly profitable directions. May we not hope that this will come some other day? In any event we should prepare for it."

"This meeting is being held in a country where the descendants of two great races had to live together and they decided to do so in harmony and mutual respect. They have found that this is possible because they have discovered that there are many more things that they hold in common than there are things that separate them. Their association has proved profitable to both, - and also to many men and women of other races who have joined it since, - profitable not only materially but also spiritually and morally. It is in the same spirit that we approach our participation in the North Atlantic Treaty. We believe the same results can be achieved in the wider sphere."

The President of the North Atlantic Council, Mr. Paul Van Zeeland, Foreign Minister of Belgium, followed Mr. St. Laurent's statement by expressing his gratitude to the Canadian Government and people "for the gracious invitation addressed to us", and for "the pleasure of beginning our work in the heart of a country whose generosity, courage and devotion to the ideals of western civilization we all admire".

The Canadian delegates to the Ottawa meeting are Mr. L.B. Pearson, Secretary of State for External Affairs; Mr. Brooke Claxton, Minister of National Defence; and Mr. D.C. Abbott, Minister of Finance; with advisers drawn from the Departments of External Affairs, National Defence, Finance and Defence Production.



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WEEK'S EVENTS IN REVIEW

NO DIRECT PRICE CONTROLS YET: The Prime Minister, Mr. St. Laurent, in a radio speech on September 4 told the nation that Canada will not have direct price controls now, but that the Government would go ahead with its policy of indirect anti-inflation controls such as restricting bank credit and discouraging instalment buying. Excerpts from his address follow:

We all know the cost of living has been going up since the fighting started in Korea, and nobody likes it.

Everybody is agreed about the lesson of Korea. Stronger defence forces are needed in the free countries to prevent a third world war. Everybody knows, too, that we cannot have stronger defence forces without affecting the supply of goods and the demand for goods; and both do affect prices....

Greater defences reduce the supply of goods available for civilians. At the same time, the demand for goods is maintained or increased by the income from the pay and allowances of the armed forces and the wages and salaries of defence workers.

The result is upward pressure on prices, except to the extent that higher taxes and more saving keep spending in better balance with the supply of goods. There has had to be more spending for defence in the free countries in the past year and, as everybody knows, world prices have gone up substantially since June, 1950.

....I am sure many have wondered why the Government has not put ceilings on prices. And it is natural to ask why if price control was successful in Canada in 1941, it should not work in 1951.

To answer that question, we have to recall that in 1941 we were at the most critical point in an all-out war. Price control was a temporary war measure to meet conditions of total war which we knew would be unlikely to last more than four or five years. All the weight of wartime patriotism was there to support the drastic controls required to hold the price ceilings in place; and to make us all feel that we couldnot, in good conscience, attempt any evasion of the restrictions.

The situation today is very different. What we are now trying to do is to prevent another war. That may require a generation of defence efforts on a large scale. A stop-gap policy which might serve for three or four or five years would be quite unsuited to conditions which may last for a generation or more.

Price control was necessary in all-out war. In some circumstances, overall price control might be necessary again. The Government will not hesitate to impose any controls we believe will really work to protect the interests of Canadians generally. But we are not going to recommend any form of control unless and until we can honestly tell the public we believe it will work....

MR. PEARSON ON THE JAPANESE PEACE TREATY:

Canada endorsed the Japanese peace treaty signed in San Francisco as both "generous" and "realistic". The Secretary of State for External Affairs, Mr. L.B. Pearson, said in his address to the Conference on September 7 that the document "is not a perfect treaty; no human document ever is. But it is a good treaty and would not--in our opinion--be a better one if we spent two or three months discussing it around the conference table".

Mr. Pearson referred to criticism of the treaty by the USSR and Czechoslovak delegates as propaganda "which convinces no one except those whose convictions are prefabricated". He stated that it was particularly unconvincing to hear the Communist delegations complain of the procedure adopted in negotiating and drafting the treaty because it was "the obstructive and delaying tactics of their Governments that made this--admittedly unusual--procedure necessary, and indeed unavoidable, if we were to have a treaty at all".

CANADA A PACIFIC POWER

Mr. Pearson stated that Canada desired only friendly relations with Japan and with all countries in the Pacific area. He stated that the events of the past 20 years, and the Korean aggression, had demonstrated that Canada could not isolate herself from wars or the threat of wars in the Pacific. "By geography we are a Pacific as well as an Atlantic power," he said. "There are Canadian military cemeteries in Hong Kong and Korea as well as in Flanders' fields."

Mr. Pearson said that Canada welcomed the formal ending of war with Japan as a step to peace and security in the Pacific. He stated that Canadians are glad to greet the Japanese people in a spirit of reconciliation and that they will watch with interest and sympathy Japanese efforts towards achieving a free, peaceful and prosperous way of life "which would itself be the greatest guarantee against the rebirth of aggressive militarism in Japan".

The Canadian Government has felt for some years that a peace treaty with Japan was highly desirable, Mr. Pearson stated, and has continually lent support to efforts in this direction. He said that as conferences and consultations took place, Canada became more impressed than ever with the necessity for seizing every opportunity that might lead to a suitable and early settlement with Japan. He said that Canada was satisfied many months ago that the main tasks of the occupation had been accomplished, that disarmament and demilitarization had been achieved, and that Japan's feet had been set on the path towards free and responsible government.

"Just as the spirit of occupation was one of moderation, justice and friendly guidance, so the peace treaty is just, even generous, and without rancour or revenge", Mr. Pearson stated. He congratulated those responsible for

fashioning an instrument that is "imaginative, far-sighted and ungrudging".

Mr. Pearson pointed out that the United States, as the chief occupying power, would have been well within her legal rights in continuing the occupation of Japan. "Yet she has been striving earnestly and long to convoke a peace conference which would return to the Japanese their full sovereignty and release them from any position of subservience and inferiority", he said. "This is a generous policy but it is also a realistic one".

CANADA CONSULTED

Mr. Pearson pointed out that Canada was given adequate opportunity to comment fully on the various drafts as they appeared and that Canadian suggestions for change were given careful consideration by other governments. "Some of our most important points have been fully met in the draft before us", he said. "We have, therefore, a sense of direct participation in the framing of this treaty."

Mr. Pearson expressed the hope that Japan, in the future conduct of its commercial relations, will avoid certain prewar practices which were widely condemned by other trading nations and stated that Canada has no wish to see any discrimination against, or any unnecessary obstacle to, normal Japanese trade.

Mr. Pearson regretted the absence at the San Francisco conference of any delegation from China. He said: "The Peking Government, however, must bear the blame for this absence. Had that regime not participated in the aggression already committed by the communist forces of North Korea; had it lent its efforts to discouraging rather than extending that aggression, it might have spoken for China at this conference. The Peking Government must realize that just as it cannot shoot its way into the United Nations; neither can it force its way either by violent acts or threats into this peace conference."

* * * *

NEW IMMIGRANTS FOR CANADA: Nearly 80,000 immigrants entered Canada during the first six months of 1951, according to an announcement by the Minister of Citizenship and Immigration.

The total of 79,785 newcomers as of June 30, 1951, exceeded by 144% the figure of 37,286 for the corresponding period of 1950, and actually surpassed by nearly 6,000 the total of 73,912 recorded for the entire year 1950.

There was a noteworthy rise in British immigration, with 14,130 British immigrants arriving from overseas as of June 30, 1951, as compared to 6,738 in the same period of last year, a percentage increase of 110. Comparative totals for 1950 and 1951 were English, 4,354 and 8,604; Irish, 721 and 1,153; Scottish, 1,550 and 4,100; Welsh, 113 and 273.

Northern European races contributed 27,427 immigrants to the grant total, as against only 9,751 a year ago. The number of French immi-

grants was more than quadrupled, the comparative figures being 2,272 and 502, and Belgian immigrants numbered 1,190, as against 229. An outstanding increase was noted in the case of immigrants from the Netherlands, who numbered 11,297, as against 5,306 in the same period last year. More than 8,000 Germans entered Canada during the first six months of the year, the comparative figure being slightly more than 2,000. Marked increases were also recorded by other races: For example, Danish immigrants totalled 2,305 compared to 647; Finnish, 909 over 265; Norwegians, 316 and 106; Swedish, 343 and 54; Swiss, 510 against 219.

An increase in the number of immigrants from the U.S. was also noted, the 1951 six-months total of 3,688 exceeding by more than 400 that of the corresponding period of 1950.

All other races combined totalled 34,540, compared to 17,553 in the six months ended June 30, 1950, an increase of 97%.

The total of 79,785 may be broken down by sex as follows: Adult males, 37,472; adult females, 22,183; children under eighteen, 20,130.

OCCUPATIONAL BREAKDOWN

The occupational breakdown on arrival was as follows: Farming, 13,494; skilled workers, 11,309; unskilled and semi-skilled workers, 10,517; clerical, 2,262; professional, 1,609; trading class, 1,400; female domestics, 2,715; others, 2,283. These people brought with them 14,455 dependent wives, and 19,471 children.

Ontario received 45,082 of the total number of immigrants, with Quebec absorbing 15,204; Alberta, 6,430; B.C., 5,649; Manitoba, 3,700; Sask., 1,953; N.S., 891; N.B., 639; P.E.I., 114; Newfoundland, 113, and Yukon and the Northwest Territories, 10.

From Dec. 1, 1950 to June 30, 1951 of a total of 86,846 immigrants, 12,013 were skilled workers, an increase of 248% over the 3,456 skilled workers who arrived during the corresponding seven-month period a year ago, when total immigrants numbered 42,417.

During the same period of 1950-51, farm immigrants numbered 14,588, a marked increase over the total of farm workers received from December 1, 1949, to June 30, 1950. The Department of Citizenship and Immigration realizes the importance to the national economy of a strong rural population and would see to it that farm families continue to come to Canada in satisfactory number.

During the first half of 1951, 115,507 applicants were given final approval to come to this country. This figure includes 39,916 British subjects, practically three times the number of 13,427 British subjects who entered Canada from overseas during the entire year of 1950. Paris reports a noticeable rise in approved applications from citizens of France which now exceed by a considerable margin the total number of French immigrants for the whole of last year, which was 1,188.

While expecting that immigrants would continue to come forward in good numbers throughout 1951, the Minister made it clear that the number of immigrants to be admitted this year, and in any given year, would, of necessity, be influenced by the absorptive capacity of the country.

* * * *

CURRENT EMPLOYMENT SITUATION: Unusually diverse employment trends have recently appeared in the Canadian manpower picture, according to an announcement by the Department of Labour. On the one hand, some industries continued to expand output and employment in response to the gradual industrialization of the country and the defence needs of the western democracies. On the other hand, lay-offs and short time work in the consumer goods industry, which first appeared in May, have become more widespread. Also, the extended drought on the west coast has caused severe unemployment in the forest industries of that region, although this situation now has eased somewhat.

The greater effect at present of expansion is indicated by these statistics. At August 16, there were 128,900 job applications on file, lower than at any time in the past two years, despite an increasing labour force. The list of labour market areas in which there are scarcities of occupational skills--notably for farm hands, miners and carpenters--has grown longer.

At the same time, increasing interruptions in the production schedules of consumer goods industries have caused a greater degree of temporary unemployment. During June, July, the number of workers who filed claims for unemployment insurance was 23 per cent greater than last year, but the total amount of unemployment insurance paid out was less than two-thirds the amount paid out in the same period in 1950, indication that the majority of workers were unemployed for short periods only.

The world demand for lumber, base metals, newsprint and oil has shown no signs of slackening. In the associated industries, the attempt to meet the demand has meant a continued expansion of production and employment with present facilities, the construction of new capacity and the establishment of new industries where foreign supplies of key raw materials have proven inadequate.

Industrial expansion and general resource development, when added to the need for new facilities for the armed forces, has generated an expansion in construction, in spite of a slowdown in residential building. Latest figures show that since spring 38,000 workers have been absorbed in the industry, and 6,000 more men are employed than last year at the same time.

In these sectors of the economy, there is a general shortage of labour. Although the situation has been relieved somewhat by the addi-

TECHNICAL CO-OPERATION: R.G. Nik Cavell, Chairman of the Executive Committee of the Canadian Institute of International Affairs, has been appointed Administrator of the International Economic and Technical Co-operation Division, the Minister of Trade and Commerce, Mr. Howe, announced on September 6.

Under his direction, the new Division will be responsible for supervision of all Canadian commitments under the Colombo Plan for the Economic Development of South and South-East Asia. This includes the capital development programme of tangible assistance, amounting to approximately \$25,000,000, as well as the technical training and guidance provided through the Technical Assistance Service of the Department of Trade and Commerce.

A world traveller and international businessman, Mr. Cavell's wide knowledge of Asian affairs was gained through 20 years practical experience in the East, in both government service and private business.

"Mr. Cavell's intimate personal knowledge of the East will be specially valuable in his new post" Mr. Howe said. "I am very glad that we have been able to enlist his services to administer the important contribution which Canada is making to the development of those areas through the Colombo Plan".

* * * *

TECHNICIANS FROM INDIA: Five technicians from India, members of a Hydro-Electric Mission touring Canada under provisions of the Technical Assistance Programme for the Development of South and South-East Asia, have arrived in this country.

They have joined two others from India, Shri V.R. Vaidya and U.C. Nair, and two from Pakistan, Y.A. Zia and Captain M. Khan, who arrived in Canada in recent weeks. The mission will visit hydro-electric installations from Quebec to British Columbia during the next eight weeks.

In addition four agricultural specialists from India have arrived under provisions of the Technical Co-operation Programme. After discussions with Department of Agriculture officials in Ottawa, they will begin a ten-week tour of Canada where they will visit farms and experimental stations.

The four agricultural specialists from India are, Dr. S.R. Barooah, additional Director of Agriculture, Government of Assam; Dr. K.G. Joshi, deputy Director of Agriculture, Madhya Pradesh; S.A. Hamid, principal of the Central Co-operative Training Institute, Pusa, Bihar; and G.M. Butt, an agriculture director on special duty with the Department of Agriculture, New Delhi.

Joining them on their tour will be Dr. J.K. Dubey, Director of Agriculture, State of Bhopal, and M. Kanti Raj, deputy Director of Agriculture, State of Madras, both of whom arrived in Canada in July under the Technical Co-operation Programme of the Colombo Plan.

CANADIAN DELEGATION TO GATT: The Department of External Affairs has announced the composition of the Canadian Delegation to the Sixth Session of the Contracting Parties to the General Agreement on Tariffs and Trade opening at Geneva September 17.

Chairman: The Rt. Hon. C.D. Howe, Minister of Trade and Commerce.

Deputy Chairman: Dr. C.M. Isbister, Department of Trade and Commerce.

Parliamentary Adviser: Mr. James Sinclair, M.P., Parliamentary Assistant to the Minister of Finance.

Delegates: Mr. L. Couillard, Department of External Affairs, Mr. W.J. Callaghan, Department of Finance, Mr. S. Reisman, Department of Finance, Mr. M. Schwarzmann, Department of Trade and Commerce.

Secretary: Mr. K. Goldschlag, Department of External Affairs.

In its announcement, the Department stated that the Canadian Delegation will support measures aimed at strengthening the GATT in view of its achievements to date in bringing the important trading countries into a common agreement on the conduct of trade. In addition, tariff negotiations under GATT have provided for the reduction of tariffs on products accounting for a large proportion of the world's trade.

* * * *

RCAF IN U.K.: No. 1 RCAF Fighter Wing will be established overseas October 1 at North Luffenham, about 15 miles east of Leicester, England, it was announced by Air Force Headquarters on Sept. 5.

The station at North Luffenham, which was a fighter base during the war, is now under the RAF's Flying Training Command, and will be turned over to the RCAF Fighter Wing.

RCAF Fighter Squadron, No. 421, which has been in the United Kingdom since last January, based at the RAF station Odiham in southern England, will return to Canada for Christmas. It will be replaced before its return by 410 Squadron. Two more RCAF Fighter Squadrons will follow 410 overseas next year. These three squadrons will comprise the RCAF Fighter Wing at North Luffenham and will be equipped with Canadian-built F-86 Sabres.

No. 1 RCAF Fighter Wing will carry out operational training with the RAF, and will form part of the air division which the RCAF will establish overseas to operate as part of the integrated force under General Eisenhower.

* * * *

NAVY IN KOREA: With the arrival of HMCS Athabaskan at a U.N. naval base in Japan, the first three Canadian warships to serve in the Korean war are back together again. All west coast ships, they are HMCS Cayuga, the senior ship, HMCS Sioux and the Athabaskan. The Sioux has just returned from Hong Kong, where she underwent repairs.

LIVING COSTS UP: The Bureau of Statistics cost-of-living index advanced from 187.6 to 188.9 between July 3 and August 1 for a gain of 0.7%. More than one-third of this increase was due to continued strength in foods. Advances in this group included pork, beef, veal, lamb, eggs, milk, bread, sugar, turnips, canned vegetables and jam while decreases occurred in potatoes, carrots, onions, oranges, lemons, and vegetable shortening.

Clothing rose from 202.9 to 204.6, reflecting higher quotations for a wide range of items, with footwear particularly firm. Street car fares, health charges, theatre admissions

and newspaper rates moved the miscellaneous items index up from 142.2 to 143.7. Home-furnishings and services rose from 197.4 to 199.0 due to advances concentrated in the textile furnishings, hardware and glassware sections. Telephone rates were higher also.

Firmer prices for coal were almost entirely responsible for the change in the fuel and light index from 147.2 to 148.2. Rents were not surveyed in August, and the index remained at 139.8.

From August 1939 to August 1951 the increase in the cost-of-living index was 87.4%.

Canadian Cost-of-Living Indexes (1935-39=100)

	Combined Index	Food	Rent	Fuel and Light	Clothing	Homefurnishings and Services	Miscellaneous
August 1, 1951	188.9	251.4	139.8	148.2	204.6	199.0	143.7
July 3, 1951	187.6	249.7	139.8	147.2	202.9	197.4	142.2
August 1, 1950	168.5	216.7	134.9	138.4	180.9	168.9	132.5

NEW RCAF SQUADRONS: The formation of two new RCAF Regular Force fighter squadrons was announced by Air Force headquarters on Sept. 4.

In process of formation now at RCAF Station Bagotville, P.Q., is 413 Fighter Squadron which will be equipped initially with vampire jets. The squadron is to be re-equipped later with CF-100 Canuck all-weather fighters. Scheduled for formation this month at RCAF Station Uplands, outside Ottawa, is 439 Fighter Squadron which will be equipped with F-86 Sabres.

Both new fighter squadrons carry on traditions of well-known wartime flying units. No. 413 was formed originally in Scotland in 1941 as an RCAF Flying Boat Squadron. It operated from Scotland until March, 1942, when it was transferred to India. The squadron operated in the East until early 1945 when it was recalled to the United Kingdom to reform as a heavy bomber unit. The squadron disbanded, however, owing to the collapse of Germany and was reformed in April, 1947, at Rockcliffe, Ontario, being primarily engaged in transport operations supporting the RCAF's photo survey operations. Completion of some phases of the photo survey programme led to the squadron's disbandment for the second time in November, 1950.

No. 439 City of Westmount Squadron of the RCAF was originally formed at Wellington, Lincolnshire, England in January, 1944. Flying typhoons the squadron operated as a fighter bomber unit over Europe taking an active part in the pre D-Day softening up attacks and the invasion itself. Following the advancing armies, its base was moved to France. In April, 1945, the squadron returned to England and in August, 1945, was disbanded.

NEW YEAR BOOK: The 1951 edition of the Canada Year Book is now available. This volume is the official statistical annual of the country and contains data on the physiography, history, population, education, national accounts, production, trade, transportation, finance -- in fact every important subject that has a bearing on the national economy.

The current edition, which extends to 1,300 pages, has been thoroughly revised, and includes in its 31 chapters the latest material available at press time. In addition to the regular chapter material there are six special articles dealing with (1) migratory bird protection in Canada, (2) early naturalization procedure and events leading up to the Citizenship Act, (3) the major soil zones and regions of Canada, (4) Canada's forest economy, (5) conversion programme to a 60-cycle power in Southern Ontario, and (6) the Indians of Canada. Nine maps and 39 diagrams have been inserted in the Year Book.

Cloth-bound copies of the Year Book may be obtained from the King's Printer, Ottawa, at the price of \$3.00 per copy. By a special concession, a limited number of paper-bound copies have been set aside for ministers of religion, students and school teachers, who may obtain such copies at the price of \$1.50 each. Applications for these special copies should be sent to the Bureau of Statistics, Ottawa.

It is expected that the 1951 edition of the Year Book will be current for about a year and a half when a combined number will be issued for 1952 and 1953. The 1952-53 edition is scheduled to appear in January or February 1953.

(Continued from p. 1)

NO DIRECT PRICE CONTROLS YET

Part of the price of peace is higher taxes and part of the price of peace is some shortage of things we would like to have. If inflationary forces in other countries send up world prices, then part of the price of peace here in Canada, as it is elsewhere, is a higher cost of living.

Though we cannot prevent world prices from affecting our price level, we do need strong anti-inflationary policies to prevent any addition here in Canada to the general upward pressure on prices....

We can also help to keep prices steadier by holding down the demand for goods. That means holding down spending of all kinds. In this direction, the Government has done a number of things. It has reduced its own current expenses.... Wherever we could, we have postponed public works and development projects which would be good things in themselves....

PAY-AS-YOU-GO TAXES

We also resolved to put the expanded defence programme on a pay-as-you-go basis. To do that we had to increase taxes. We tried to distribute the burden of a balanced budget as widely and fairly as possible. In addition to increasing direct taxes on incomes and profits, we also increased indirect taxes on spending. Those taxes on spending do not adversely affect the incentive to produce, and they do offer the consumer some choice between spending and paying the tax, or saving and avoiding the tax.

What is just as important, higher taxes are preventing any increase in our national debt; and avoiding, thereby, an extension of inflationary forces into the future....

Another way in which the Government has been actively working to reduce the upward pressure on prices is by trying to limit new capital investment to needs that are essential at the present time. Most of the materials and labour required for defence are materials and labour which could be used to build houses or stores or offices or banks or factories or highways. There are just not enough materials and manpower to do all these things at once, and some we would like to have just have to wait. Through the rationing of steel and certain other scarce commodities, and through tax measures, the Government has encouraged the postponement of new construction not required for our defence programme.

We have also enlisted the co-operation of the banks to discourage further increases in bank credit. Under present conditions expansion of bank credit would increase the competition among individuals and businessmen for the limited supply of goods available and that would mean further upward pressure on prices.

For the same reason, the Government has regulated the terms of the borrowing involved in buying things on the instalment plan. We realize that credit restriction has made it difficult for some people to buy motor cars, refrigerators and other relatively costly things as soon as they would have liked. But by limiting demand, the credit restrictions have certainly discouraged the upward trend in the prices of such goods, and some of them are actually being offered now at prices lower than those of five or six months ago.

Another way to cut down the upward pressure on prices is to increase personal saving, and the Government is giving additional encouragement to such saving by offering even more attractive terms on the new issue of Canada Savings Bonds which will go on sale next month.

All these things are aimed at the root cause of inflation within Canada; and past experience shows that their effect should increase as time goes on....

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WHEAT FOR INDIA: The Minister of Trade and Commerce, Mr. Howe, announced on Sept. 5 that the Government of India has purchased 400,000 long tons (14,900,000 bushels) of milling grades of Canadian wheat. He stated that the wheat will be delivered to India under a shipping programme running from October, 1951 to July, 1952. The entire quantity will be shipped through Pacific Coast ports. The sale is under the terms of the International Wheat Agreement.

* * * *

CIVIL DEFENCE: To hasten the provision of the many thousands of persons trained in first aid required in Canada's Civil Defence forces, the federal Government has authorized the expenditure of funds to enable the St. John Ambulance Association to carry out special programmes of first aid instruction for Civil Defence.

Literally hundreds of thousands of persons must be trained in this essential service if Civil Defence objectives are to be met. This is altogether in addition to people estimated at 55,000 a year that the Association trains in its regular programmes in first aid. The additional persons to be covered by this new plan will all be volunteers in local Civil Defence forces.

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CURRENT EMPLOYMENT SITUATION (Cont'd. from p. 2)

tion of 37,400 immigrant male workers to the labour force this year, there is still considerable competition between mining, construction and forestry for the available supply of manpower. This is most evident in the western regions, where prospects of a bumper crop will intensify the demand for able-bodied men this fall.



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WEEK'S EVENTS IN REVIEW

U.S. RESTRICTIONS ON DAIRY IMPORTS: The Secretary of State for External Affairs, Mr. Pearson, on August 31 made public the text of a Canadian Note that was handed to the Department of State in Washington earlier that week. The text is as follows.

"The recent announcement of the United States Department of Agriculture with regard to the control of imports into the United States, of fats, oils, and other dairy products has created a situation which is of urgent concern to the Canadian Government. The restriction of the imports of dried milk products, and cheese in particular, will cause immediate damage to Canadian trade with the United States.

"In the case of cheese, the new import quota will reduce United States imports substantially below the levels which have prevailed in the immediate past. This reduction cannot fail to have a serious prejudicial effect upon the position of the Canadian dairy industry.

"While the impact of the new restrictions upon particular producers is of immediate concern, the Canadian Government wishes also to call the particular attention of the Government of the United States to the more far-reaching implications of this action. The new

restrictions announced by the United States Department of Agriculture are contrary to the obligations which the two Governments have assumed toward one another in the General Agreement on Tariffs and Trade. The latter provides clearly that quantitative import restrictions of this kind shall not be imposed except in certain stated circumstances which cannot be held to exist at present in respect of these commodities. These new import controls, furthermore, will nullify the value of certain of the tariff concessions which were negotiated at Geneva in 1947 and at Torquay, these concessions having been bound by the United States until January 1, 1954.

"The Government of Canada has sought at all times to observe the terms of the General Agreement on Tariffs and Trade which govern the commercial relations between our two countries. The Canadian Government earnestly hopes the Government of the United States will review the action it has recently taken to restrict the imports of dairy products, in the light of the provisions of the General Agreement on Tariffs and Trade, in order that the mutually advantageous trade which is of such great importance to the general well-being of both our countries may not be impaired."

R.W. MILNER TRANSPORT CONTROLLER: Stating that "the demands of the grain trade and of the defence effort are placing an added strain upon certain of the transportation facilities of Canada", the Minister of Transport, Mr. Chevrier, announced August 30 the Government's decision under the Emergency Powers Act, "to provide for a limited control of railway and water transportation".

In making the announcement, the Minister named Roy Wilfred Milner, of the Board of Grain Commissioners, Winnipeg, and formerly General Manager and Director of Alberta Pacific Grain Co. Ltd., as Transport Controller; and W. Jackson Fisher, Director of Traffic Services Branch of the Canadian Maritime Commission, as Deputy Transport Controller.

The basic problem with which the Department of Transport has to deal is not altogether one of lack of equipment to handle commodities. It is largely a matter of timing the movement to obviate bottlenecks occurring. The present large stocks of grain at the Lakehead terminal, and the number of cars tied up en route and awaiting unload, present the most immediate problem. Contracts for the movement of ore, coal, pulp and stone were made early in the year, and vessels were allocated to that trade to complete the contracts before frost makes ore handling difficult, which condition usually occurs early in November.

Mr. Chevrier said that the Transport Controller and his Deputy would have power to determine priority of movement to be given to grain or any other bulk commodity, and to make orders and issue directions accordingly. The powers of the Transport Controller and his Deputy apply to the movement of bulk commodities only.

The control over transport facilities includes railway facilities, Canadian registered ships of 1,000 gross registered tons or over and storage facilities capable of being used in connection with transporting bulk commodities. Transportation of bulk commodities coming with the Transport Control Regulations include: wheat, flour, flax, barley, rye, buckwheat, corn, oats, mill feed and grain screenings; ores and minerals; ferrous metals; iron and steel scrap; sand, stone and gravel; pulpwood, woodpulp, poles, and logs; coal and coke; sulphur and phosphate.

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MR. ALEX. ROSS TO NATO COMMITTEE: Alexander Ross, C.M.G., 62, Associate Deputy Minister of National Defence, has been appointed to represent the Defence Department of the Budget Committee of the North Atlantic Treaty Organization, it was announced August 30 by the Minister of National Defence, Mr. Claxton. Mr. Ross's headquarters will be in London, England. It will mark the fourth time that he has represented Canada on important financial assignments in Europe.

ECONOMIC CONDITIONS, 1950 AND 1951: The following analysis of economic conditions in Canada, 1950 and 1951, is from the fifth annual progress and programme report on Agriculture, Fisheries, Forestry and Nutrition in Canada, 1951, prepared for submission to the Food and Agriculture Organization of the United Nations:

"The changing pattern and level of activity in the Canadian economy in the latter half of 1950 and during 1951 reflects the changing character of external demands on Canadian resources and Canadian production. Exports increased to a peacetime record high. Total output, employment and income have also attained record levels. Personal spending increased more than personal income during the 1950-51 period, resulting in a decline in net personal savings out of current income.

"With larger crops in 1950, agriculture contributed to the increase in real output. In the non-farm sector significant gains occurred in construction, automobiles, pulp and paper, minerals, electric power and in various trade and service groups.

VALUE OF OUTPUT

"While the value of output has more than tripled since 1939, physical output in 1950 exceeded that of 1939 by more than 75 per cent. The volume of farm production increased by about 10 per cent in the same period. There is thus a significant growth in the production of other industries relative to that of agriculture. The number employed, another physical measure of activity, increased by about 25 per cent during this period. Unemployment, in spite of more than a decade's growth in the labour force, is only a fraction of what it was before the war.

"The year 1951 will witness a marked expansion in defence expenditures. This, combined with strong demand, will result in inflationary pressures. Many government activities are being directed towards combatting these pressures by means of fiscal and monetary policies, and by allocation of materials."

An excerpt from the report's review of agriculture is as follows:

"Canada's investment in her agricultural industry has continued to grow. Capital invested in farm land, buildings, equipment and livestock has increased annually since 1941. By 1950, the total value was estimated at \$8,211 million. Part of this increase is due to an increase in physical goods and part to prices.

"The average value of occupied farm land in Canada for 1950 is reported at \$43 an acre. This is an increase of 7.5 per cent over the average value in 1949 and an increase of 79.2 per cent over the 1935-39 average. This upward trend in farm land values from the prewar levels reflects, in part, the increase in prices received by farmers...."

MR. CLAXTON ON AIRCRAFT PRODUCTION: The following is the partial text of the speech by the Minister of National Defence, Mr. Claxton, on the occasion of the visit of The Right Honourable Arthur Henderson, Secretary of State for Air in the United Kingdom, to 410 and 441 Squadrons at Dorval, P.Q., August 31:

"This morning the Secretary of State for Air in the United Kingdom, The Right Honourable Mr. Henderson and myself toured the Canadair plant to see the F-86E under production. They're rolling off the line and we're going to keep them rolling until we meet all our requirements. Progress in production of the F-86E moves along with the completion of delivery to 410 and 441 Squadrons of the aircraft required to bring them up to peacetime strength, to be followed by others until every squadron has its full war complement.

"410 and 441 are the first squadrons in the R.C.A.F. - and the first squadrons anywhere outside the United States - to be equipped with F-86's. Both squadrons deserve credit for the good progress indicated by this conversion. Both squadrons are at full strength in pilots trained to fly these aircraft - the fastest operational aircraft in the history of aviation.

MONTHLY PRODUCTION

"Shortly we shall be producing each month enough F-86 and CF-100 aircraft to provide the equivalent of the front-line strength for a squadron.

"Within the last year Canada has helped to build up the forces for our collective defence under the North Atlantic Treaty. Armament and ammunition for three divisions have been sent to The Netherlands, Belgium and Italy and the guns and ammunition for an artillery regiment to Luxembourg. Further transfers of existing and new equipment will be made to buttress our allied defences in Western Europe. A brigade group to join the Integrated Force has been recruited and is now in training. The NATO Air Training Plan is well under way and will attain an output of 1,400 aircrew per year for other NATO countries.

"Last February in the House of Commons I announced that Canada would contribute a fighter air division of eleven squadrons to the North Atlantic Treaty air forces in Europe under General Eisenhower.

"Within two or three months 410 Squadron will proceed to the United Kingdom to be followed shortly by No. 441. These will be joined by a third squadron to form a wing which will later be located on the continent as part of the R.C.A.F. fighter air division under General Eisenhower.

"While in England these three squadrons will be based at an airfield operated by the R.C.A.F...."

"The free nations which have voluntarily come together in the North Atlantic Treaty are working together to prevent war by deterring

aggression. Under the North Atlantic Treaty we have the North Atlantic Alliance. The effectiveness of an alliance depends on the understanding and confidence existing between the partners. Visits such as Mr. Henderson's or the visits last week of that great leader, General Marshall, Secretary of Defence, the Honourable Frank Pace, Secretary of the Army and General J. Lawton Collins, Chief of the General Staff of the United States are the best means of promoting that understanding and confidence...."

Mr. Henderson said that Russia has numerical superiority in the air but that in two years the North Atlantic nations should be able to neutralize this advantage. Once Russia's numerical superiority in the air was neutralized by the ever-increasing strength of the North Atlantic countries, he believed, the danger of war would be lessened.

* * * *

EXERCISE SHOO FLY II: Even though present-day emphasis is on the type of fighting being waged in Korea, the Canadian Army has not been neglecting its northland operations, the Department of National Defence reported August 28.

Troops of the Royal 22nd Regiment's 1st Battalion are now entering the final phases of Exercise Shoo Fly II in the Fort Churchill area.

Chief object of the month-long exercise, scheduled to wind up September 6, has been to practise infantry sub-units in a tactical role under summer conditions in the north.

It has been designed also to practise staff officers as well as troops in establishing firm scales of clothing, arms, ammunition and personal and unit equipment for forces operating in the sub-Arctic during summer months. Platoon tactics and techniques now in effect have been thoroughly tested.

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DONALD GORDON RE-APPOINTED: Re-appointment of the Chairman and two members of the Board of Directors of the Canadian National Railways for a further term of three years, effective October 1 next, was announced September 1 by the Minister of Transport, Mr. Chevrier. Donald Gordon, C.M.G., LL.D., President of the Canadian National Railway Company, is re-appointed a Director and Chairman of the company's Board of Directors; Wilfred J.T. Gagnon, C.B.E., of Montreal, and James A. Northey of Toronto, re-appointed Directors of the Company.

Mr. Gordon was appointed President of the Canadian National Railway Co. effective January 1, 1950. At the same time he was appointed a Director of the Company and Chairman of its Board of Directors. Formerly Deputy Governor of the Bank of Canada, he was Chairman of the Wartime Prices and Trade Board during the war years.

MR. GREGG ON CONTROLS: Speaking on the subject of controls at the Labour Day luncheon, Canadian National Exhibition, Toronto, on September 3, the Minister of Labour, Mr. Gregg, said that this year there were more than 1,029,000 trade union members celebrating Labour Day in Canada - three times the number in 1939. The average monthly earnings of wages and salary workers had increased from about \$101.00 in 1939 to \$212.00 in 1951, he announced. One million and a quarter more workers were employed.

He then dealt with price controls, in part, as follows:

"It is the easiest thing in the world to pass a piece of government legislation, but the passage of a bill doesn't mean you have produced a solution. The legislation has to be workable. Most of our people must not only desire to see it work, but be willing to make sacrifices to see it work, or it will do more harm than good.

"You might say that most Canadians today would like to see prices rolled back and stabilized by Government--enforced controls -- that they would make a sincere effort to see them work. Well, it is within our power collectively, as free private citizens and without reams of directives and an army of government enforcement officials, to hold down prices. The present price level is here because most of us, by our actions, have created the conditions suitable for it.

CONSUMERS' RESPONSIBILITY

"As consumers, too many of us have continued in the ways we learned during World War II, and during the continuing shortages thereafter, of buying regardless of price. Too many of us have lost the powers of discrimination in purchasing. We have encouraged the pricing up of goods and discouraged the good old 'dollar day' sales. If we don't like the price of a product we should indicate it in the most forceful fashion.

"As producers, too many of us are not working at peak efficiency. Shorter working hours with more time for leisure is a wonderful and progressive trend. But shorter hours should mean automatically greater efficiency and more production per hour worked. However, too often this has not been the case. We, management and workers, are equally responsible for greater production.

"Those of us who set the price for goods and services have been greatly tempted by a seller's market. Too many of us have given in to the impulse to make hay while the sun shines. If we leave the responsibility for prices and general economic stability to the other fellow, or to government regulation, we are taking a grave risk.

"Only a small proportion of our strength has yet been called upon in direct support of United Nations duties on active service, but the remainder of our strength is engaged in an economic battle, the magnitude of which is now becoming most apparent. The unnatural pressure on our economy is a direct result of the threatening actions of Moscow. We have accepted completely the necessity for building up our armed strength, and the necessity for directly sharing our individual incomes for clear-cut emergency measures. But we must go further....

"Canadians as a whole want free enterprise. The issue facing us can be resolved into this one simple statement -- We want to keep our industry and our jobs free from government dictatorship. We are willing to fight on the battlefield to prevent this dictatorship from outside. We have given much forthright evidence of this conviction. We must without delay give evidence that we are willing to fight at home any trend which will weaken the system we are committed to defend with guns.

"No one can tell us what we as individuals can do. If we sincerely consider our responsibility we will know -- our course of action will be obvious to us. One thing is certain, however, the more important you are in the life of Canada the greater can be the effect of your actions on the price structure, the greater the chance that others will follow your good example.

EMERGENCY POWERS

"These thoughts represent my opinion of the price situation at the moment. However, my remarks should not be taken as meaning the Government will not under any conditions impose controls over the cost of goods and services. In some circumstances there may be no alternative; but they will only be imposed if the Government believes they will work.

"At the last session of Parliament emergency powers for drastic action in this matter were conferred by Parliament upon the Government. So far the Government has not used many of those powers. This restraint is not due to stubbornness, to fear, or to any disregard for the welfare of the people of Canada. Restraint has been due to the Government's belief that there was a better and a freer way, and one that wouldn't back-lash on us even if this emergency we are in should last for ten or fifteen years.

"The indirect measures to curb credit and restrain competition for scarce goods have already checked the rise of prices in many fields. Those measures are proving an effective ally to a freely achieved restraint in costing and in buying plus a freely achieved increased production which together can give the real and lasting solution to this high cost of living question."



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DEPARTMENT OF EXTERNAL AFFAIRS

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WEEK'S EVENTS IN REVIEW

4-MONTHS' SURPLUS \$409,000,000: The Minister of Finance, Mr. Abbott, released on August 25 the Comptroller of the Treasury's statement of revenues and expenditures for the month of July and for the first four months of the current fiscal year. It showed an accumulated budgetary surplus of \$409.0 million.

The Comptroller's statement shows that revenues for the month of July totalled \$336.3 million compared with \$227.6 million for July 1950. Revenues for the first four months of the fiscal year amounted to \$1,203.0 million compared with \$861.8 million in the same period of the previous fiscal year, an increase of \$341.2 million. Individual income tax collections were \$96.6 million higher at \$331.4 million due to higher levels of personal incomes. Corporation income tax receipts for the four months this year were \$127.1 million higher, at \$323.3 million reflecting higher 1950 profits and the increased tax rates imposed in the September 1950 budget. Customs import duties increased \$43.9 million due to the continuing high level of imports. Excise taxes were \$105.2 million greater than in the comparable period of 1950 due to increased consumer expenditure higher price levels and increased rates imposed in the 1951 budget.

Total expenditures of the Government for the month of July were \$263.7 million compared with \$187.7 million in July 1950. The increase of \$76.0 million was due mainly to expenditures of the Department of National Defence being \$67.8 million higher than in the month of July 1950. While interest and debt charges were \$5.5 million higher in July 1951 than in 1950,

this was entirely due to the interest payment date of a loan refunded in November 1950 being changed from May to July.

In the first four months of the fiscal year expenditures totalled \$794.0 million compared with \$609.0 million in the same period a year ago. This increase of \$185.0 million was due largely to the increase of \$160.6 million in expenditures of the Department of National Defence. Expenditures of the Department of National Defence have been increasing month by month in the current fiscal year and are now beginning to reflect the accelerated programme approved by Parliament. Expenditures of this Department were \$25.5 million in April 1951, \$71.6 million in May, \$82.3 million in June and \$98.9 million in July. In addition, there were increases of \$7.2 million in subsidies and tax rental payments to provinces, \$3.6 million in family allowances, and \$2.5 million in the Government's contribution to the Unemployment Insurance Fund.

Revenues for the month of July exceed expenditures by \$72.5 million compared with 39.9 million in July 1950. The accumulated budgetary surplus for the first four months was \$409.0 million compared with \$252.9 million in the same period of 1950.

In addition to budgetary expenditures there were non-budgetary disbursements of \$18.0 million in July and \$49.6 million in the four month period. These cash outlays for loans, advances and investments were higher than last year when disbursements totalled \$5.8 million in July and \$37.8 million for the first four months of 1950-51.

TRADE DEFICIT IN RECORD TOTALS: Canada's merchandise imports rose to a record all-time high value in the first six months of this year, and domestic exports reached a level only slightly below the wartime peak in the first half of 1944. In June, both imports and exports were substantially above those of a year earlier. In both periods, imports rose at a more rapid rate than exports, resulting in a growth in the deficit on commodity trade accounts.

Imports from all countries in the half-year advanced to \$2,102,400,000 from \$1,453,100,000 in the same period of 1950, domestic exports to \$1,740,200,000 from \$1,430,600,000, and foreign exports to \$22,400,000 from \$17,500,000. The resulting debit balance in total trade was \$339,800,000 as against the small total of \$4,900,000 a year earlier.

In June, imports from all sources rose to \$360,400,000 from \$282,500,000 a year ago, domestic exports to \$312,500,000 from \$289,200,000, and foreign exports to \$3,300,000 from \$2,600,000. The overall debit balance was \$44,600,000 against a credit balance of \$9,300,000 a year earlier.

RISE IN IMPORTS FROM U. S.

In the half-year there was a sharp rise in imports from the United States and a lesser but substantial rise in domestic exports to that country, the debit balance being consequently larger. With a somewhat larger rise in imports than in exports, the credit balance on commodity trade with the United Kingdom fell to a lower point in the half-year.

Merchandise imports from the United States in June rose to \$241,500,000 from \$188,300,000 in the corresponding month last year, a rise of 28.8 per cent, while domestic exports increased six per cent to \$188,400,000 from \$177,700,000, and foreign exports moved up to \$2,500,000 from \$2,100,000. In the half-year, imports from the United States rose sharply to \$1,471,000,000 from \$1,004,500,000 or by 46 per cent, domestic exports by 22.6 per cent to \$1,109,900,000 from \$904,900,000, and foreign exports to \$17,000,000 from \$12,000,000. The overall debit balance on commodity trade with the United States in the month was \$50,600,000 against \$8,400,000, and in the half-year aggregated \$344,100,000 against an import balance of \$87,600,000 a year ago.

Imports from the United States accounted for 67 per cent of purchases from all countries in June, barely above last year's proportion of 66.6 per cent. In the half-year the proportion was 70 per cent as compared with 69 per cent a year ago. Exports to the United States in June represented 60.2 per cent of shipments to all markets as against 61.4 per cent a year ago, and in the half-year the proportion was 63.7 per cent, slightly larger than in 1950.

Imports from the United Kingdom in June were moderately higher at \$39,900,000 against

\$37,100,000 a year earlier, and domestic exports slightly lower at \$51,300,000 against \$52,500,000. In the half-year, imports were up 20 per cent to \$224,600,000 from \$187,200,000, while domestic exports rose 7.4 per cent to \$253,500,000 from \$235,900,000. Foreign exports in the month were valued at \$100,000, unchanged from a year earlier, and in the six months aggregated \$700,000 against \$1,200,000. The balance of trade was in Canada's favour to the extent of \$11,500,000 in June as compared with \$15,500,000 a year earlier, and in the half-year totalled \$29,600,000 compared with \$50,000,000.

* * * *

COLOMBO PLAN GUESTS: Eleven technicians and students from India have arrived in Ottawa to undertake fellowship and scholarship courses provided by Canada under the Technical Assistance Programme of the Colombo Plan for the Development of South and South-East Asia. They are the first large group to come from India under the Plan, and were welcomed at the Ottawa airport by P.K. Bannerjee of the Indian High Commissioner's Office, and T.J. Brook, Director of the Technical Assistance Service of the Department of Trade and Commerce, Ottawa.

They will spend from six months to a year in Canada, according to various courses of study and practical training, which include Civil Engineering, Mechanized Agriculture, Power Generation, Transmission and Distribution, Nutrition and Dietetics, Optics and Optical Instruments, Forestry and Pulpwood, Geology, Physics and Stress Analysis.

All of them will first attend the International Summer Seminar on "The Needs and Contributions of East and West" being held for students from sixteen countries at St. Alexander's College near Ottawa.

* * * *

PRAIRIE CROP CONDITIONS: Rains during the week ending August 18 delayed harvest operations in Manitoba, the Bureau of Statistics reported as of August 21. One-third of the cereal crops in the southern sections was cut or swathed with the balance either ready or nearly ready. Very little had been threshed. In northern sections of the Province only the occasional early field had been cut. Quality of the grain crops promised to be good. Rains were benefiting late crops, sugar beets, sunflowers and pastures. Warm, dry weather was needed.

Favourable crop conditions were maintained in Saskatchewan during the week. Moisture was sufficient in central and northern districts to carry grain to maturity. Rains in southern areas has checked deterioration and improved the condition of late fields. Dry, warm weather was required to ripen the grain. Some cutting and swathing of coarse grains was under way in all districts. In south-eastern Saskatchewan crops matured quite rapidly. The provincial

(Continued on p. 3)

JOB S AND PAY AT NEW HIGH LEVELS

LABOUR REPORT: Canada's total civilian labour force and the number of persons with jobs both reached all-time high record levels at the beginning of June, according to the quarterly survey by the Bureau of Statistics. At the survey date, the civilian non-institutional labour force was 5,332,000, and persons with jobs totalled 5,247,000. Persons without jobs and seeking work numbered only 85,000. The civilian non-institutional population, 14 years and over was 9,854,000.

Comparison of the survey results for the week ending June 2 with those for the same period last year is complicated by the exclusion of Manitoba from the survey for the week ending June 3, 1950. To facilitate comparison, Manitoba has been excluded also from the June 2, 1951 figures in the following paragraphs.

LABOUR FORCE EXPANSION

Excluding Manitoba, the civilian non-institutional population 14 years of age and over, reached 9,292,000 for the week ending June 2 this year compared with 9,135,000 a year earlier. Similarly, the civilian non-institutional labour force reached 5,018,000 compared with 4,933,000 in June, 1950.

This expansion of the civilian labour force in June 1951 over June 1950 was in line with the normal increase in the civilian non-institutional population of working age. It does not reflect any noticeable increase in the rate of participation in the labour force. Thus for both June 1950 and June 1951, 54 per cent of the civilian population 14 years of age and over, were in the labour force.

Continuing a trend noted in earlier surveys, the non-agricultural labour force, increased by 147,000 to 4,100,000 in June 1951, from 3,953,000 in June, 1950. Conversely, the agricultural labour force declined by 62,000 from 980,000 to 918,000 in June, 1951.

The number of persons with jobs reached 4,937,000 in the week ending June 2, 1951, an increase of 144,000 over the total of 4,793,000 in June, 1950. In addition to increasing in aggregate terms, persons with jobs as a percentage of the civilian labour force rose

from 97.2 in June 1950 to 98.4 in June, 1951.

Persons without jobs and seeking work reached the very low level of 81,000 in June, 1951 as compared with 140,000 in June, 1950. It would appear that there is no significant pool of totally unemployed remaining to fill any expansion in the number of jobs available. Any such increase in job-holders would have to take place by recruitment of those ordinarily engaged in activities outside of the civilian labour force. Those not in the labour force increased somewhat in absolute numbers from 4,202,000 in June 1950 to 4,274,000 in June, 1951.

LABOUR INCOME RECORD

Labour income rose to new peak levels in May and the first five months of this year, totals for both periods exceeding those of a year ago by 17 per cent. Aggregate for the month was \$788,000,000 as compared with \$672,000,000 in May last year, and in the five months was \$3,797,000,000 against \$3,257,000,000.

All industrial groups showed gains both in the month and five months as compared with a year earlier. Total for manufacturing in May was \$273,000,000 as against \$225,000,000, and in the five-month period amounted to \$1,323,000,000 compared with \$1,203,000,000. In utilities, transportation, communication, storage and trade the May total was \$208,000,000 compared with \$181,000,000, and in the January-May period aggregated \$998,000,000 against \$876,000,000.

In finance and services (including government), labour income amounted to \$163,000,000 compared with \$148,000,000 in May, 1950, and in the cumulative period totalled \$806,000,000 against \$738,000,000. Labour income in agriculture, forestry, fishing, trapping and mining in May was \$60,000,000 compared with \$47,000,000 a year earlier, and in the five months amounted to \$294,000,000 as against \$224,000,000. Total for construction in the month rose to \$58,000,000 from \$50,000,000 in May last year, and in the five-month period to \$247,000,000 from \$210,000,000.

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PRAIRIE CROP CONDITIONS (Cont'd from p.2)

crop situation appeared very favourable, but being later than normal, could be subject to frost damage.

Excellent crop prospects had been maintained in Alberta but as the season was two to three weeks late good weather will be needed to bring crops to maturity. South-central Alberta was the only area where moisture supplies had been insufficient.

WARSHIPS ON RIDEAU: A training group comprising six patrol craft (Fairmiles) of the Royal Canadian Navy manned by naval reservists from the Great Lakes area will make history the end of August when they journey from Kingston to Ottawa via the Rideau Canal System. It will mark the first time that warships have navigated this man-made waterway linking Kingston and Ottawa. The cruise up the Rideau canal system is all a part of the group's extensive summer training schedule.

NATIONAL NOTES

Premier Leslie Frost of Ontario announced on August 23 that a special session of the Legislature would commence Monday, September 24 to deal with old age pensions.

The Minister of Finance, Mr. Abbott, announced August 20 that the Fifth Series of Canada Savings Bonds will be withdrawn from sale on August 31.

The new standard kilogramme, on which future determinations of the unit of mass in Canada will be based, has just been received at the National Research Council's metrology laboratory, after certification by the International Bureau of Weights and Measures located at Sèvres, France.

There were 20 fewer work stoppages arising from industrial disputes in Canada in July, 1951, and more than 4,000 fewer workers involved than in the preceding month.

Three Canadian Army officers have been selected to attend the United States Armed Forces Staff College at Norfolk, Virginia, commencing August 27.

Wing Commander R.W. (Buck) McNair, DSO, DFC, 32, of Springfield, N.S., and North Battleford, Sask., has been appointed Air Advisor to the Canadian Military Mission in Tokyo.

Total revenue of \$238,713,729 for the Province of Quebec fiscal year which ended March 31, 1951, was reported this week. This compares with a revenue for the fiscal year ended March 31, 1950, of \$207,249,228, an increase of \$31,464,501. The overall surplus is \$4,181,326, exclusive of \$33,825,174 spent for capital purposes, which would make the surplus of revenue over ordinary expenditure, \$38,006,501.

JAPANESE LIQUIDATING COMMISSION: The Department of External Affairs has been informed that a Public Notice has been issued in Japan by the Japanese Government whereby the final date for filing of claims with the Japanese Liquidating Commission against the head offices, branch offices and other offices in Japan proper of Closed Institutions has been extended to October 16, 1951. Closed Institutions are generally speaking banks, development companies, and wartime financial institutions concerned with colonial or other overseas expansion or war production.

TOUR OF DEFENCE INSTALLATIONS: Foreign military attachés and service advisers to the Commonwealth High Commissioners on August 27 began a three-day tour of navy, army and air installations in Central Canada at the invitation of the Minister of National Defence, Mr. Claxton.

The party left Rockcliffe Airport by RCAF aircraft, stopped over at Training Air Command, Trenton, then moved on to Toronto where they viewed harbour installations and visited HMCS "York".

The following day, the attachés and advisers lunched at the RCAF Staff College, then toured the Canadian National Exhibition. Later they visited Camp Borden.

Included in the party were:

Navy: Rear-Admiral Svend Ramlau-Hansene, Denmark; Lt. S.L. Sharp, U.S.A.

Army: Maj. R.A.J. Hajan, India; Brig. G.E. Thurbron, DSO, OBE, U.K.; Brig. N.A.K. Raza, Pakistan; Col. Umberto de Martino, Italy; Col. T.R. Clarkin, U.S.A.; Col. Janko Susnjar, Yugoslavia; Col. Indovic de Bremond, Switzerland; Lt.-Col. G.L. Reinderhoff, Netherlands; Lt.-Col. Fazil Ciloglu, Turkey; Lt.-Col. E.W.M.G. de Vicq de Cumptich, Belgium; Brig. J.B. Krieger, South Africa.

Air Force: Brig.-Gen. Netto dos Reys, Brazil; Col. Gilbert Andrier, France; Lt.-Col. E. Greene, U.S.A.; Wing Commander J.C. Varma, India; Brig.-Gen. Enrico Cigerza, Italy.

NATIONAL STATISTICS

Canadian retail trade in June was valued at \$905,000,000, the highest monthly total so far this year, and 11 per cent above sales of \$815,730,000 in the corresponding month last year. The June sales increase compares with an average gain of 16 per cent for the first half of this year over last when sales aggregated \$4,766,780,000 as compared with \$4,121,390,000****Canadian output of refined petroleum products was slightly higher in April than in the corresponding month last year but there was a gain of almost 11 per cent in the first four months of the year. Receipts of crude at the refineries were up 17.7 per cent in the month and 18 per cent in the four-month period. Output in April amounted to 6,942,000 barrels****Operating revenues of Canadian air carriers in March rose to a new record total of \$3,970,891, a gain of \$768,678 or 24 per cent over the same month last year****Tonnage of revenue freight carried by Canadian railways in April reached a new record of 12,614,522 tons, a gain of 17 per cent over last year's April total of 10,831,850 tons****Carloadings on Canadian railways during the week ended August 18 moved up to 82,953 cars from 76,217 in the preceding week, but were 864 cars below the same week last year****Visible supplies of Canadian wheat in store or in

North America on July 31 amounted to 162,229,-568 bushels as compared with 99,168,673 on the corresponding date last year****Foreign vehicles entering Canada on traveller's vehicle permits rose to a new monthly record in July, numbering 489,097 as compared with the previous high of 471,823 in the same month last year**** Earnings of the principal Canadian railways in May established a new record for the month at \$92,432,000, an increase of 15 per cent over last year's May total of \$80,362,000**** Reversing the recent upward trend, financial transactions in the form of cheques cashed in clearing centres were 5.4 per cent lower in June than in the same month last year, while the aggregate for the first six months of this year was the highest recorded. The total for the month was \$9,500,212,000, and in the half-year amounted to \$53,815,991,000****Canadian production of wheat flour was 27 per cent higher in June, amounting to 2,095,661 barrels as compared with 1,647,868 in the corresponding month last year****Freight moving through Canadian canal systems in June totalled 3,-821,983 tons -- a new record for the month -- as compared with 3,760,666 in June last year. ****Sales of wholesalers in June this year exceeded the June, 1950 dollar volume by five per cent, but the month's gain was considerably lower than the 17 per cent advance in the first six months of the year. Wholesalers' stocks at the end of June were valued 24 per cent higher than at the same date a year earlier.

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SASKATCHEWAN DEVELOPMENT COMMISSION: The Prime Minister, Mr. St. Laurent, announced August 24 that, in accordance with undertakings given during the last session of Parliament, a Commission has been appointed to inquire and report as to whether the economic and social returns to the Canadian people on the investment in the proposed South Saskatchewan River project (Central Saskatchewan development) would be commensurate with the cost thereof and as to whether the said project represented the most profitable and desirable use which could be made of the physical resources involved.

The members of the Commission of Inquiry are Dr. T.H. Hogg of Toronto, Ontario, formerly Chairman of the Ontario Hydro-Electric Power Commission; Mr. G.A. Gaherty of Calgary, Alberta, President of Calgary Power Limited and Dr. John A. Widtsoe of Salt Lake City, Utah, U.S.A., who has been actively engaged for a number of years on Canadian as well as United States irrigation problems. Dr. Hogg is to be Chairman and Mr. B.T. Richardson of Ottawa, Secretary of the Commission.

EXPORT, IMPORT CONTROL REGULATIONS: Revisions in Export Permit Regulations, and the establishment of Import Permit Regulations were announced August 27 by the Minister of Trade and Commerce, Mr. Howe.

The revisions of the Export Permit Regulations have been designed to provide more precise and effective scrutiny of the ultimate destination for all Canadian exports. They are intended simply to assure that the full spirit, as well as the letter of the original regulations is carried out, so as to avoid any possible misdirection of strategic materials.

Exporters will be required in all cases to satisfy themselves and to have documentary evidence that the ultimate destination is in accord with their application.

Furthermore, if the ultimate destination is unknown, no shipments can now be made without an export permit.

In order to ensure personal responsibility no shipments may leave Canada in the name of foreign exporters. They must be made by a Canadian resident, and the applicant must be the shipper.

PREVIOUS EXEMPTIONS

All previous exemptions to the regulations, including such items as casual gifts, shipments to government offices, personal effects, and so on, will henceforth be covered by General Permits. Customs officials, both in Canada and trans-shipping countries, will be required to ensure that all documents concerned with a shipment agree and contain complete information before clearance is granted.

In keeping with Canada's international commitments, it has been necessary to establish a system of import controls which will enable the Canadian authorities, when required by overseas countries, to give assurances that goods of a strategic nature exported to Canada will automatically come under the Canadian Export and Import Permits Act.

These regulations also provide the necessary machinery to control the import of goods from specified sources should this be required. It is not expected at the present time that the issuance of import permits under these new regulations will be necessary in many instances.

Copies of the revised Export and new Import Permit Regulations are to be distributed as soon as available to interested firms and organizations by the Export and Import Permit Division of the Department of Trade and Commerce.

JULY FOREIGN TRADE: A summary of foreign trade figures for July released by the Bureau of Statistics shows a rise in the value of Canada's total domestic exports to \$374,500,000 from \$253,700,000 in July, 1950, and an increase in estimated total imports to \$370,800,000 compared with \$259,500,000. Value of foreign exports rose to \$4,100,000 from \$3,000,000.

Domestic exports to the United States rose in value to \$201,900,000 as against \$168,200,000, and to the United Kingdom to \$73,900,000 from \$35,200,000. Estimated imports from the United States advanced to \$236,500,000 from \$170,600,000, and from the United Kingdom to \$43,000,000 from \$32,700,000.

The July import figures are only preliminary and therefore subject to revision; final and detailed figures of imports will not be available for about three weeks. Those for exports will be issued in a few days.

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MOTOR VEHICLE SHIPMENTS: Showing the first major decline in 18 months, shipments of Canadian-made motor vehicles fell 12.5 per cent in June from the same month last year, but with substantial gains in earlier months, the total for the first-half of 1951 rose 29 per cent over the same period of 1950.

RETAIL FINANCING: Financing of retail instalment sales by 109 companies in 1950 was 51 per cent greater than the amount handled by 104 companies in 1949, while balances outstanding at the end of the year were 59 per cent above the total at December 31, 1949. Total financing in 1950 amounted to \$429,196,000 as compared with \$284,730,000 in 1949, \$208,166,000 in 1948 and \$100,277,000 in 1941. Balances outstanding at the end of 1950 totalled \$293,163,000 as compared with \$184,063,000 at the end of 1949, and more than four times the balances outstanding at the end of 1941.

Consumers' goods continued to account for an increasingly high proportion of total financing. The 71 per cent which this category of goods formed of the total in 1950, while higher than in the three previous years, was still below the 1941 proportion of 77 per cent. Consumers' goods were financed to the extent of \$305,278,000 in 1950, an increase of 60 per cent over the previous year's total of \$190,574,000.

New passenger car financing took the lead long held by used car financing as the largest item within the consumers' goods category.

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WEEK'S EVENTS IN REVIEW

BILLION DOLLAR WHEAT CROP PROSPECT: Canadian farmers are expected to harvest record crops of wheat and mixed grains this year. Outturns of barley and hay and clover will be close to record levels, while oats and rye production will be well above average. With the single exception of winter wheat, anticipated yields of all major grain crops are above those of last year. However, an important factor which may affect ultimate outturns is the lateness of the season in western Canada.

Canada's 1951 wheat crop is currently estimated at 582,000,000 bushels compared with 462,000,000 in 1950 and the previous record of 567,000,000 harvested in 1928. A wheat crop of the size indicated this year would be approximately 47 per cent above the five-year, 1946-50, average of 395,000,000 bushels and 50 per cent above the 10-year, 1941-50, average of 387,000,000. The total acreage seeded to wheat in Canada this year is placed at 25,700,000 acres, about 10 per cent below the record 28,700,000 seeded in 1940. However, the estimated average yield per acre of 22.6 bushels is well above both last year's yield of 17.1 and the long-time, 1908-1950, average of 16.2 bushels per acre.

In the Prairie Provinces the wheat crop is expected to yield a record 549,000,000 bushels as against 427,000,000 last year and the previous peak of 545,000,000 in 1928. The anticipated yield per acre of wheat in the Prairie provinces this year is 22.3 bushels, with Manitoba averaging 19.6, Saskatchewan 21.3 and Alberta 25.9 bushels per acre. Production in Saskatchewan is placed at 337,000,000 bushels while that in Alberta and Manitoba is estimated at 165,000,000 and 47,000,000 bushels, respectively. Small quantities of winter wheat are included with spring wheat in the estimates for the Prairie Provinces.

Production of wheat in the rest of Canada is estimated at about 33,000,000 bushels. Ontario's anticipated outturn of 27,700,000 bushels accounts for the greater part of Canadian wheat grown outside the Prairie Provinces. All but 1,000,000 bushels of the 1951 Ontario crop is winter wheat, expected to yield an average of 29.3 bushels per acre.

(Providing quality is sustained the crop at present market prices would be worth more than \$1,000,000,000.)

79,785 IMMIGRANTS IN FIRST HALF OF 1951

114 PER CENT INCREASE: Nearly 80,000 immigrants entered Canada during the first six months of 1951, the Minister of Citizenship and Immigration, Mr. Harris, announced August 14.

The total of 79,785 newcomers as of June 30, 1951, exceeded by 114 per cent the figure of 37,286 for the corresponding period of 1950, and actually surpassed by nearly 6,000 the total of 73,912 recorded for the entire year 1950.

Comparative monthly totals indicate clearly the steady increase in immigration over 1950:

	1950	1951	Percentage of Increase
January	3,710	5,637	52
February	4,959	8,419	70
March	5,801	11,858	104
April	7,515	14,188	89
May	8,362	20,254	142
June	6,939	19,429	180
Totals	37,286	79,785	114

There was a noteworthy rise in British immigration, with 14,130 British immigrants arriving from overseas as of June 30, 1951, as compared to 6,738 in the same period of last year, a percentage increase of 110. Comparative totals for 1950 and 1951 were English, 4,354 and 8,604; Irish, 721 and 1,153; Scottish, 1,550 and 4,100; Welsh, 113 and 273.

NORTH EUROPEAN RACES

Northern European races contributed 27,427 immigrants to the grand total, as against only 9,751 a year ago. The number of French immigrants was more than quadrupled, the comparative figures being 2,272 and 502, and Belgian immigrants numbered 1,190, as against 229. An outstanding increase was noted in the case of immigrants from the Netherlands, who numbered 11,297, as against 5,306 in the same period last year. More than 8,000 Germans entered Canada during the first six months of the year, the comparative figure being slightly more than 2,000. Marked increases were also recorded by other races. For example, Danish immigrants totalled 2,305 compared to 647; Finnish, 909 over 265; Norwegians, 316 and 106; Swedish, 343 and 54; Swiss, 510 against 219.

An increase in the number of immigrants from the United States was also noted, the 1951 six-months' total of 3,688 exceeding by more than 400 that of the corresponding period of 1950.

All other races combined totalled 34,540, compared to 17,553 in the six months ended June 30, 1950, an increase of 97 per cent.

The total of 79,785 may be broken down by

sex as follows: Adult Males, 37,472; adult females, 22,183; children under eighteen, 20,130.

The occupational breakdown on arrival was as follows: Farming, 13,494; skilled workers, 11,309; unskilled and semi-skilled workers, 10,517; clerical, 2,262; professional, 1,609; trading class, 1,400; female domestics, 2,715; others, 2,283. These people brought with them 14,455 dependent wives, and 19,471 children.

Ontario received 45,082 of the total number of immigrants, with Quebec absorbing 15,204; Alberta, 6,430; British Columbia, 5,649; Manitoba, 3,700; Saskatchewan, 1,953; Nova Scotia, 891; New Brunswick, 639; Prince Edward Island, 114; Newfoundland, 113, and Yukon and the Northwest Territories, 10.

Noting the increase in the immigration of skilled workers since December 1 of last year, Mr. Harris said that from that date to the end of June, 1951, of a total of 86,846 immigrants, 12,013 were skilled workers, an increase of 248 per cent over the 3,456 skilled workers who arrived during the corresponding seven-month period a year ago, when total immigrants numbered 42,417.

14,588 FARM IMMIGRANTS

During the same period of 1950-51, the Minister stated, farm immigrants numbered 14,588, a marked increase over the total of farm workers received from December 1, 1949, to June 30, 1950. The Minister said the Department realizes the importance to the national economy of a strong rural population and would see to it that farm families continue to come to Canada in satisfactory number.

Turning to operations overseas, Mr. Harris announced that during the first half of 1951, 115,507 applicants were given final approval to come to this country. This figure includes 39,916 British subjects, practically three times the number of 13,427 British subjects who entered Canada from overseas during the entire year of 1950. The Paris office reports a noticeable rise in approved applications from citizens of France which now exceed by a considerable margin the total number of French immigrants for the whole of last year, which was 1,188.

While expecting that immigrants would continue to come forward in good numbers throughout 1951, Mr. Harris made it clear that the number of immigrants to be admitted this year, and in any given year, would, of necessity, be influenced by the absorptive capacity of the country.

Not included in immigration totals for the six-month period ended June 30, 1951, made public August 14, were 1,825 Canadians who returned to this country after residing for periods of varying lengths in the United States.

UNION MEMBERSHIP 1,029,000: The Minister of Labour, Mr. Gregg, announced on August 14 that there had been an increase of more than 22,000 trade union members during the year 1950. The fortieth annual survey of labour organization in Canada carried out by his Department showed that as of January 1, 1951, total union membership was 1,029,000 or approximately 2 per cent above the figure for a year earlier.

This rise continued the upward trend in the membership figures since 1939. Membership figures to the nearest thousand for the years 1939 to 1951 are as follows:

1939 - 359,000	1945 - 711,000
1940 - 362,000	1946 - 832,000
1941 - 462,000	1947 - 912,000
1942 - 578,000	1948 - 978,000
1943 - 665,000	1949 - 1,006,000
1944 - 724,000	1951*- 1,029,000

*Figures for 1949 and the years previous are as of December 31.
Figures for 1951 are as of January 1, 1951.

Approximately 85 per cent of union members belong to unions affiliated with one or other of the three larger central labour bodies in Canada. The affiliated membership of the Trades and Labour Congress of Canada has increased approximately 2.5 per cent since December 1949. This increase was mainly in international unions affiliated with both the TLC and the American Federation of Labour and in "federal" unions of the TLC. Membership of unions affiliated with the Canadian Congress of Labour increased more than 3 per cent over 1949; for the Canadian and Catholic Confederation of Labour the increase was more than 7 per cent.

* * * *

COST-OF-LIVING RISE: Cost-of-living indexes for eight regional cities showed increases ranging from 1.8 per cent in St. John and Edmonton to 2.8 per cent in Halifax between June 1, 1951 and July 3, 1951. Higher food prices in all cities accounted for most of the changes with Halifax showing the largest food increase. Advances were concentrated in meat, eggs, and fresh vegetables, and a larger portion of the increases in food indexes was seasonal in nature, the Bureau of Statistics reported August 13.

Fuel and light increased in Montreal and Toronto due to higher prices for coal. The miscellaneous group showed increases in all cities due in part to higher prices for tobacco. The largest movement in this group was shown by Halifax, where increases in hospital rates, theatre admissions, and gasoline, contributed to the rise. Clothing and home furnishings and services showed only small increases in all cities. Rents were not surveyed for the July 3 indexes.

WARSHIPS OFF KOREA: A U.N. Naval Base in Southern Japan, August 14. Two Canadian destroyers, H.M.C. Ships Cayuga (Commander James Plomer) and Huron (Commander E.T.G Madgwick) formed part of a truly representative United Nations naval force which struck last week at the West Coast of Korea near the "Battle Line" and now has returned to its United Nations bases in Japan.

Represented were warships from Canada, Great Britain, Australia, the United States and The Netherlands. Two of the ships were the carriers HMS Glory and USS Sicily.

The joint attack marked the first time in several months that any of Canada's three destroyers in the Far East have operated together. It also marked the Cayuga's first patrol since her return to the Far East from Esquimalt for her second tour of duty in the Korean war theatre.

AIR STRIKE AGAINST REDS

Commanded by Commander James Plomer, of Winnipeg and Saint John, Commander of the Canadian Destroyers in the Far East, the Cayuga was quick to take up her duties. Arriving at her operational base at 8.30 a.m., she received orders that she was to put to sea in the shortest time possible to take part in the largescale naval air strike against the Reds. The ship's company set to the task and the destroyer was fuelled, provisioned and ammunitioned, naval authorities were consulted and all the various details of readying a ship for a war patrol carried out. The Canadian destroyer sailed at 1.30 p.m. the same day.

She rendezvoused with the carrier Glory that same evening and the next day was joined by the Huron. That same day the United Nations force was complete and well on its way to its operational area.

For many in the Cayuga it was the first experience in the war zone. There had been a 75 per cent turnover back at Esquimalt and all but two of the officers were new to the ship.

The Cayuga and Huron settled down to their tasks of sharing the screening duties which protected the British and American carriers. There was little variety as the force stood nearly 70 miles off the target area at which the planes from the carriers struck their blows. The two Canadian ships occasionally were sent further north during nights to act as advance air warning in case any attempt was made by the Reds to launch an air attack against the UN ships.

Two vessels were intercepted by the Canadians. One investigated by the Cayuga, turned out to be a South Korean ship. The Huron's investigation turned up a Russian merchantman.

1950 FOREIGN TRADE REVIEW: Continuing their sharp postwar rise, prices of Canada's domestic exports in 1950 averaged some five p.c. higher than in 1949, while those of imports were some seven per cent higher, according to the annual review of foreign trade released today by the Bureau of Statistics.

"This rapid rise in prices, a symptom of the gap between world production and desired consumption", says the review, "has contributed significantly to the record values of Canada's foreign trade in recent years."

While the value of Canada's domestic exports in 1950 reached a peacetime peak, 4.2 per cent above 1949 and 1.4 per cent above the previous peak in 1947, the volume was about one per cent lower than in 1949 and 6.5 per cent below the postwar peak volume of 1948, according to the review. In the case of imports, which were at an all-time high value in 1950 with gains of 15 and 20 per cent, respectively, over 1949 and 1948, the volume was seven per cent greater than in 1949 but fell two per cent short of the peak 1947 volume.

The greater rise in import prices than in export prices, the review observes, has weakened the relatively favourable terms of trade which Canada has enjoyed in the postwar period, and contributed to the development of an adverse trade balance in 1950.

Prices averaged higher in 1950 than in 1949 for all of the eight main groups of exports except chemicals and fertilizer, which eased off about one per cent. Increases of the others ranged from 1.5 per cent in the case of iron and steel and their products to 9.1 per cent for fibres and textiles. Volume was higher for four groups of domestic exports -- fibres and textiles, wood products and paper, non-metallic minerals and their products, and chemicals and fertilizers, the increases ranging from seven per cent for the first-named to nearly 44 per cent for chemicals and fertilizers. Agricultural and other primary products declined nearly 12 per cent in volume, iron and steel group 19 per cent, non-ferrous metals 1.4 per cent, and the miscellaneous group 54 per cent.

In the case of imports, price indexes were higher for each group, the increases ranging from 2.7 per cent for non-metallic minerals to 24 per cent for the miscellaneous group. The indexes of physical volume also moved upward for all groups, except the miscellaneous, the largest increase being 18 per cent for non-ferrous metals and the smallest 0.5 per cent for fibres and textiles.

* * * *

WORLD WHEAT SUPPLIES: Wheat supplies remaining on or about July 1 this year in the four major wheat exporting countries -- United States, Canada, Australia, and Argentina -- for export and carryover at the end of their respective crop years amounted to 691,000,000 bushels, slightly above last year's corre-

sponding total of 688,000,000. Supplies this year (in million bushels) were held as follows, with last year's figures in brackets: United States, 395 (427); Canada, 210 (129); Australia, 67 (92); and Argentina, 19 (40).

Based on conditions at June 1 this year, the eighth consecutive billion-bushel wheat crop was forecast in the United States. Production of all wheat was placed at 1,070,000,000 bushels, consisting of 707,000,000 bushels of winter wheat and 363,000,000 bushels of spring wheat. Unusually heavy abandonment of winter wheat acreage largely accounts for the smallest winter wheat crop since 1943. Harvesting of the crop has been proceeding under adverse conditions in the central states and, while some effect was given to damage by hail, rains and floods in the June 1 estimate, the full extent of the loss is not yet known.

* * * *

3% CANADA SAVINGS BONDS: The Sixth Series of Canada Savings Bonds will go on sale October 15. It will be dated November 1, 1951, and will mature 10 years and 9 months from date of issue. It will be sold at a price of 100% up to November 15, 1951, the Department of Finance announced on August 12.

It will carry 10 interest coupons of 3%. The first coupon will be payable August 1, 1953, covering a period of one year and nine months (an effective yield of 2% per year during this period). The remaining 9 coupons are payable on August 1 each year thereafter. This will give an average interest rate over the life of the bond of approximately 3.21% per year. Previous issues of Canada Savings Bonds matured in 10 years and paid a straight 2% per year.

If the new bond is cashed before the first coupon becomes due (August 1, 1953) interest will be paid at the rate of 2% per year calculated to the last full month. After August 1, 1953, interest will be paid at the coupon rate of 3% per year for each full month which has elapsed since that date.

The limit for holdings in any one name has been raised to \$5,000. Previous limits for individual holdings were \$2,000 in Series One and \$1,000 in subsequent issues.

The Sixth Series is to retain other familiar features of Canada Savings Bonds including redemption at full face value plus interest at any time at any bank in Canada. They will not be transferable or assignable and may be purchased only by residents of Canada.

The Minister of Finance, Mr. Abbott, said that the new features, coupled with those which have proved popular in past issues, make the new bond the most attractive security of its kind yet offered. They reflected the Government's determination to encourage personal saving as an important and constructive influence in helping stabilize the Canadian economy at this time.

URBAN POPULATION RISE: First figures of the 1951 Census were released August 17 by the Bureau of Statistics in a bulletin giving preliminary totals of the population at June 1 of 526 cities, towns and incorporated villages.

Covering centres in every Province -- but including none of the large cities -- the figures indicate a distinct and widespread rise in Canada's urban population during the last 10 years. Out of 39 cities and towns with a population of 5,000 and over, all except three gained in population since 1941 and some had very pronounced gains. Of the other 487 smaller centres, only 79 declined in size and small villages account for a large proportion of these decreases.

Among the larger centres listed, Hull increased to 43,204 from 32,947; Sault Ste. Marie to 29,851 from 25,794; Moncton to 27,127 from 22,763; St. Boniface to 26,214 from 18,157; Valleyfield to 22,311 from 17,052; Brandon to 20,484 from 17,383; St. Hyacinthe to 19,999 from 17,798; Cap-de-la-Madeleine to 18,473 from 11,961; St. Thomas to 17,942 from 17,132; Leaside to 16,092 from 6,183. Population of Jacques Cartier, not incorporated in 1941, is shown at 22,323. An exception to the upward trend in this group is Timmins, down to 27,383 from 28,790.

Following are the preliminary 1951 population totals for the remaining centres with population 5 000 and over listed in the bulletin, with 1941 Census figures shown in brackets, arranged by provinces from east to west: Amherst, 9,811 (8,620); Springhill, 7,105 (7,170); Yarmouth, 8,026 (7,790); Arvida, 11,014 (4,581); Buckingham, 6,118 (4,516); Drummondville, 14,251 (10,555); Gatineau, 5,753 (2,822); Kenogami, 9,851 (6,579); Mackayville, 6,337 (not incorporated in 1941); Plessisville, 5,064 (3,522); St. Joseph d'Alma, 8,028 (6,449); St. Lambert, 8,436 (6,417); Victoriaville, 13,081 (8,516); Burlington, 5,975 (3,815); Dundas, 6,780 (5,276); Forest Hill, 15,135 (11,757); Leamington, 6,909 (5,858); Midland, 6,949 (6,800); Newmarket, 5,323 (4,026); New Toronto, 11,126 (9,504); Paris, 5,239 (4,637); Parry Sound, 5,065 (5,765); Port Colborne, 8,182 (6,993); Dauphin, 5,320 (4,662); Flin Flon, 9,858 (not incorporated in 1941); Portage-la-Prairie, 8,466 (7,187); Selkirk, 6,200 (4,915).

Population totals in this preliminary release are subject to revision.

* * * *

SAN FRANCISCO DELEGATES: The Secretary of State for External Affairs, Mr. Pearson, announced in his press conference of August 16, that he would head the Canadian Delegation to the San Francisco Conference for the signing of the Japanese Peace Treaty and that the other members of the Delegation would be Mr. R. W. Mayhew, Minister of Fisheries, and Mr. E. H. Norman as Chief Adviser. He added that other advisers might be sent as required.

EMPLOYMENT IMPROVEMENT SUSTAINED: Surplus supplies of labour in Canada continued to shrink during the first half of July, despite the seasonal entrance into the labour market of women and students seeking summer jobs, and the effects of a set of adverse conditions that existed late in June, the Department of Labour reported August 17. These conditions included the usual slowing down of hirings for agriculture and fishing, the release of workers from auto and household appliance manufacturing, a slackening rate of employment expansion in some producer goods industries and the continued interruption of British Columbia logging and woodworking operations by the danger of fire in drought-parched forests.

The chief factors in the sustained improvement in employment conditions continued to be the manpower absorptive capacities of defence manufacturing, of producer goods industries such as aircraft, railway rolling stock and shipbuilding, of defence, industrial and institutional construction, of resource development projects and of eastern Canadian logging.

The effect of these factors on the employment situation was indicated by the resumption of the downward trend in active job applications at National Employment Offices, after an increase over the latter part of June. By July 19, the total number of job-seekers had dropped 6,100 in two weeks to 135,300 or about 2% of the estimated civilian labour force. This decline exceeded by 2,700 the increase between June 14 and July 5. It represents declines totalling 7,600 in the Atlantic, Quebec, Ontario and Prairie regions, offset somewhat by a further increase of 1,500 in the Pacific region.

The adverse conditions referred to above have had only superficial effect on the strong under-current of economic expansion that has sharply reduced manpower surpluses in most parts of the country.

* * * *

BRIG. BERNATCHEZ MADE MAJOR-GENERAL: Brigadier J.P.E. (Paul) Bernatchez, CBE, DSO, CB, 40-year-old Director General of Military Training at Army Headquarters, will step up to the rank of major-general on December 1 when he becomes General Officer Commanding Quebec Command, the Minister of National Defence, Mr. Claxton, announced August 16. He will succeed Maj.-Gen. R.O.G. Morton, CBE, CD, 56, who goes on retirement leave on that date after more than 37 years of distinguished service.

A native son of Montmagny, Que., and a product of the Royal Military College at Kingston, bilingual Paul Bernatchez will become the top-ranking French-Canadian officer in the army's active force when he assumes his new appointment.

NATIONAL NOTES

The Hon. Frank Pace Jr., Secretary of the United States Army, and General Joseph Lawton (Lightning Joe) Collins, U.S. Army Chief of Staff, paid a brief visit to Ottawa August 21 and 22. The two top-ranking U.S. Army officials were en route from Washington to Alaska on an inspection visit.

A touring group of 50 teen-agers from the United Kingdom visited Ottawa last week. Headed by Mrs. Odette Churchill, an underground worker in France who won the George Cross during the Second World War, they dined with the Prime Minister at his new home.

Air cadets of Britain, Norway, Sweden, Holland and Denmark visited Ottawa last week as guests of the Air Cadet League. The bulk of the party are British Air Training Corps Cadets.

RECENT GOVERNMENT PUBLICATIONS: The following recent publications of the Canadian Government may be purchased from the Department of Public Printing and Stationery, Ottawa, Canada. A remittance payable to the Receiver General of Canada should accompany each order:

Plan for the National Capital: General Report to the National Capital Planning Committee Consultant, Jacques Greber, Ottawa 1950. 2 Vol., illustrated, maps, charts. U.S. - \$10.00. Other countries - \$12.00.

The North West Mounted Police 1873-1893: Turner, John Peter, Ottawa, King's Printer 1950. 2 Vol., illustrated, map. Pp. 1296. U.S. \$5.00. Other countries \$5.50.

Royal Commission on National Development in the Arts Letters and Sciences: Studies: A selection of essays prepared for the Commission, Ottawa, King's Printer, 1951 pp. 430. U.S. \$3.00. Other countries \$3.50.

Civil Service Commission of Canada: Forty-second annual report for the year 1950 pp 16. U.S. \$.10. Other countries \$.15.

Department of Fisheries: Twentieth annual report. Pp. 75. U.S. \$.50. Other countries \$.60.

Foreign Exchange Control Board: Annual report to the Minister of Finance for the year 1950. Pp. 29. U.S. \$.15. Other countries \$.20.

Canadian Maritime Commission: Fourth Report, June 30, 1951. Pp. 13, U.S. \$.15. Other countries \$.20.

Department of Insurance: Abstract of Statements of Insurance Companies in Canada 1950. Bilingual, pp. 155 and la-247a. U.S. \$.50. Other Countries \$.60.

RCAF ENLISTING 2,000 GIRLS: The RCAF will begin recruiting women for the reserve force September 1, Air Force headquarters announced August 14. Recruiting of women for the regular force began June 1 and the first 100 recently arrived at St. Johns, Que. manning depot for basic training.

The RCAF plans to enlist approximately 2,000 girls to work with reserve fighter squadrons, radar units, medical units and Reserve headquarters.

Among trades open are radio and electrical positions, fighter control operators, photographers, clerks, typists, stenographers, aircraft control assistants and mobile equipment drivers.

AMBASSADOR TO GERMANY: The Department of External Affairs announced on August 16 that the Honourable T.C. Davis, K.C., on that date, was presenting to President Theodore Heuss, his Letter of Credence as Canadian Ambassador to the Federal Republic of Germany.

Mr. Davis has been accredited to the Allied High Commission as Head of the Canadian Mission, Bonn, since June 22, 1950. The Mission's new status as an Embassy will mark the resumption of direct diplomatic relations between the two countries.

FARM PRICES AT NEW PEAK: Farm prices of agricultural products -- excluding Newfoundland -- moved to a higher level in June, the Bureau of Statistics' index number, on the base 1935-39=100, reaching a new high of 287.5 as against 279.4 in May, 264.1 in June last year, and compares with the previous peak index of 280.8 in March this year.

RECORD PETROLEUM OUTPUT: Canadian output of crude petroleum in May reached an all-time monthly peak total of 4,474,000 barrels, more than double last year's corresponding total of 1,957,000 barrels. This raised the cumulative output for the first five months of the year to 15,213,000 barrels as against 10,317,000 in the like period of 1950.

WHEAT CARRYOVER: Total stocks of Canadian wheat in all North American positions on July 31, 1951 were estimated at 186,400,000 bushels compared with 112,200,000 on the same date last year. Approximately 1,700,000 bushels of this year's July 31 stocks were held in United States positions in contrast to a year ago when all stocks were held in Canada. With the exception of an estimated 22,300,000 bushels on farms, all of the July 31, 1951 stocks were located in commercial positions.



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WEEK'S EVENTS IN REVIEW

ROYAL VISIT ITINERARY: Their Royal Highnesses The Princess Elizabeth, Duchess of Edinburgh, and the Duke of Edinburgh will arrive at Quebec on October 2 for their tour of Canada and will leave Newfoundland for the United Kingdom on November 5.

It was announced by the Prime Minister on October 9 that Their Royal Highnesses have approved an itinerary covering the ten Provinces of Canada. Their Royal Highnesses will also pay a short visit to the President of the United States of America in Washington on their return from the West Coast. For this visit the Canadian Ambassador in Washington, in close consultation with the United Kingdom Ambassador will co-ordinate arrangements with the United States Department of State.

In preparing programmes for consideration, local authorities will no doubt wish to keep in mind Their Royal Highnesses' expressed hope that the arrangements will be as simple as possible, the official announcement read.

"For this reason and because the time spent in each place is so short, it is expected that formalities and ceremonial will form only a small part of the programme; it is therefore necessary to omit ceremonies such as receiving honorary degrees from Universities, the laying of corner stones, and the opening of institutions. Their Royal Highnesses hope their tour

will enable them to see as many people as possible, and to be greeted by school children.

"They will visit Canadian industrial plants and defence production establishments. They will also visit certain navy, army and air force centres. As Her Royal Highness is Colonel-in-Chief of Le Regiment de la Chaudiere, 48th Highlanders of Canada, The Argyle and Sutherland Highlanders of Canada (Princess Louise's), she is looking forward to meeting personnel of these regiments during her tour.

"The two railway cars normally used by the Governor General have been placed at the disposal of Their Royal Highnesses and these will be used for both rail transport and as living quarters during much of the tour. Some journeys will be made in ships of the Royal Canadian Navy and in aircraft of the Royal Canadian Air Force."

Due to arrive at Quebec at 10 a.m. on October 2, the Royal couple are to leave that night for Ottawa and remain in the capital on October 3 and 4. They are to be in Kingston and Trenton on October 5, in Toronto on October 6, Niagara Falls, Hamilton and Windsor on October 7, and 8, Kapuskasing October 8, Winnipeg October 9, Regina and Moose Jaw October 10, Calgary October 11 and Vancouver October 13 and 14.

(Continued on P. 6)

GREATER MEASURE OF SELF GOVERNMENT FOR INDIANS

NEW ACT EFFECTIVE SEPTEMBER 4: Canada's new Indian Act, designed to provide a greater measure of self government to Canada's 136,000 Indians, and to give them a greater control over their finances, will come into force on September 4 of this year, it was announced by the Minister of Citizenship and Immigration, Mr. Harris, who said that the necessary Order in Council providing for the proclaiming of the Act has been passed.

Under the British North America Act, Indians and lands reserved for Indians are the responsibility of the federal authority, and the new Act, like previous legislation, is based upon the Indian band and reserve system, the Indian population being divided into some 600 bands, most of which have one or more reserves.

LAST REVISION IN 1880

The new Indian Act is the first general revision carried out since 1880. Many of the changes are the result of recommendations of a Special Joint Committee of the Senate and House of Commons, which conducted a full inquiry into Indian administration. The Committee sat during the sessions of 1946, 1947 and 1948, and received representations and heard evidence from Indians and others interested in Indian Affairs from all parts of Canada. In order to give the Indians still further opportunity to express their views before the passing of the Act, the Minister called a group of representative Indians from coast to coast to a conference in Ottawa, at which he discussed the Bill with them section by section.

"The aim of the new Act is to bring the Indians, by progressive steps, into a position of social, political and economic equality with other Canadians", Mr. Harris said. "It accomplishes this in part, by giving the Indians greater powers over their own property and their own affairs while decreasing the powers held by the Government".

Under the old Act, for instance, Mr. Harris explained, the crown could grant timber cutting rights on Indian reserves on its own authority and could lease unused lands without the consent of the Indian owners. Under the new Act these transactions require the approval of the band concerned. Similarly, expenditures from Indian trust funds must, in future, with but few exceptions, such as assistance for indigents, be authorized by the band concerned.

Another change providing greater autonomy is that which enables the Government to authorize the entire control or expenditure by an Indian band of its own lands and band revenue money. Band revenue money, made up of interest from the Indian Trust Fund and other sources totalled \$5,784,000 for all Canada at June 30, 1951. The Indian Trust Fund itself is derived mainly from the proceeds of land sales and leases, the disposition of timber, mineral

and oil rights, and including the revenue fund amounts to \$21,000,550, comprising more than 500 separate accounts belonging to the different bands.

Of benefit to the individual Indian leasing land to some other party is a change in the Act which enables payment of the lease money to be made directly to him. Heretofore it has been necessary for the money to be sent first to Ottawa. The change means that the Indian will receive his money without any delay.

The system of elections for band councils, which correspond in a general way to the councils in a rural municipality, has been modernized. Under the old Act only males 21 years and over were allowed to vote in band elections. Under the new Act the vote has been extended to women in elections and in all matters in which a vote of the band is required.

Of major importance in the new Act are the provisions for the definition and registration of Indians. Under the old Act band lists formed the register and, generally, all persons with Indian blood, through the male line of descent, could be classified as Indians.

DEFINITION OF AN INDIAN

The new definition of an Indian will prohibit the registration of those of quarter Indian blood or less but the prohibition will not be retroactive.

The right of appeal to the civil courts in registration of band membership matters is provided for.

The new Act recognizes the machine age and adds to the purposes for which loans may be granted the purchase of motor cars, fencing materials, gas and oil and repairs and wages. These had previously been restricted largely to the purchase of farming and fishing equipment, seed grain, livestock and similar essentials.

Changes have also been made in regard to education and while the school system on the reserves will not be changed and the present residential school arrangements will continue, provision is made for the children of Indians living off reserves. Special schools will be established in some cases and, in addition, agreements will be entered into with provincial authorities, local school boards and other bodies for the education of Indian children in association with other Canadian children.

As in the old Act, provision is made for the enfranchisement of Indians--either by entire bands or as individuals-- the effect of which is to remove all legal distinctions between such Indians and other members of the community. Enfranchised Indians, accordingly, are no longer subject to the provisions of the Indian Act.

"CANADA AND THE NORTH ATLANTIC COALITION"

MR. PEARSON'S ANALYSIS: The following article was written for the London Sunday Times of August 5, 1951, by the Secretary of State for External Affairs, Mr. Pearson.

The North Atlantic Treaty has a long range and a short range objective. The former is the achievement of a community of nations, whose close co-operation will bridge the Atlantic. This will be a slow process, but it has begun. To force the pace would be unwise. To halt it would be disastrous.

One reason for delay has been our natural, and, indeed, our necessary concentration on the other and more immediate objective of NATO, the building up of armed strength for collective defence against aggression. We have made progress here too, but again not as much as any of us would like. Measured against the background of history, we may have done much in two years. Measured against the urgency of the present situation, we have no cause for complacency.

In Canada, as in the other countries of the coalition, NATO is taken seriously. We believe that in the present state of tension and until the United Nations is able to guarantee security on a wider basis, a strong and closely co-operating North Atlantic coalition is our best protection against easy intimidation and armed attack. For us, however, as for others, NATO is not so much an alliance for winning a war as for preventing one; an alliance through which we can put force behind peace now, so that peace can ultimately rest on something stronger than force.

CERTAIN DANGERS AHEAD

There are certain dangers ahead which must be avoided if our coalition is to be well established and maintained. The first is that our present determination to strengthen our defences may be confused and weakened by calculated efforts to exploit our longing for peace. Perhaps the first real test of the resolution and the strength of our coalition will be its reaction to moves which give the appearance, without the reality, of easing the present tension. We will be tempted to slacken our defence effort before the international situation makes that slackening either sensible or safe.

A second danger will be the unwise and provocative use of our strength once we have secured it. The maintenance of adequate armed strength for peaceful purposes and for an indefinite time; the establishment and preservation of a proper balance between military power and economic and social welfare; the use of that power with restraint, to support a steady and constructive diplomacy; all this will require a discipline, a strength of purpose, and a sobriety of public opinion which will be difficult to maintain.

Those whose aggressive hostility make all this necessary are hoping that we will fail to meet these two tests, and will do their best, by political, economic and psychological means, to ensure that failure.

There is another danger, arising out of the first two, which communist Imperialism will exploit to the full, that of division and disunity between the members of the coalition. We in NATO are now engaged in the hardest possible job in international diplomacy, the construction and the operation of a coalition of free democracies in a period which is neither peace nor war. Each member of the association will often be tempted to make his own moves and interpret those of others in the light of national interest, prejudice and pride. Furthermore, there is great disparity between the strength and the resources of the member states, and great differences between their present positions and past experiences. By far the strongest power in the Atlantic association, by any test, is the United States of America. She has courageously accepted and is vigorously discharging the responsibilities of a leadership which has been not of her seeking, and which her people would have avoided if they had been of a lesser breed. She is not leading, however, a cluster of satellites, but a group of free peoples. Nor would she have it otherwise.

SEPARATE POINTS OF VIEW

So we will have differences of opinion and will express separate points of view in the coalition. We may suffer and cause irritations. There will be times when we will look for scapegoats rather than causes. But we will never, I hope, forget that disunity and division is our greatest danger. To prevent it should be a major and continuing effort of NATO diplomacy. This will require that those who lead our coalition show wisdom and restraint, and an understanding of the special problems of others. It will also require that the other member states make their own effective contributions to the alliance, while recognizing that without the determination of the United States to use her immense power and resources for the defence of freedom, the rest of us would have little chance against a ruthless, aggressive communist Imperialism.

We in Canada have good reason to believe from our own experience that the United States will discharge its responsibilities of leadership with conscience, courage, and respect for the views of her friends. The predominance of the United States, however, is bound to raise new problems for all those countries which share its ideals and value its co-operation. These new problems must be understood and must be solved if friction is to be kept to a minimum and the coalition to be kept strong and cohesive.

(Continued on p. 4)

LIVING COSTS RISE: The Bureau of Statistics cost-of-living index increased 1.9% between June 1 and July 3 to reach 187.6 as compared to 184.1 for the previous month. The increase was almost entirely due to foods which advanced 4.1% to 249.7. It is estimated that

at least one-half of the advance in the food index was seasonal in nature. All groups other than foods added only 0.2% to the rise in the total index.

From August 1939 to July 1951, the increase in the cost-of-living index has been 86.1%.

Dominion Cost-of-Living Indexes (1935-39=100)

	Combined Index	Food	Rent	Fuel and Light	Clothing	Homefurnishings and Services	Miscellaneous
July 3, 1951 ...	187.6	249.7	139.8	147.2	202.9	197.4	142.2
June 1, 1951 ...	184.1	239.8	139.8	146.2	202.5	197.1	141.0
July 3, 1950 ...	167.5	214.3	134.9	137.7	180.7	166.9	132.5

MR. PEARSON'S ANALYSIS (Cont'd. from p. 3)

It may be that Canada, a North American country, but one also with a strong and continuing association with Europe, and in particular with the United Kingdom, will have, at times, special opportunities to strengthen the forces of unity inside our coalition. This will only be the case, however, if we discharge our own obligations to the alliance. At present, in Canada, we interpret those obligations in terms of a current defence expenditure representing over 11% of our national income, and about 48% of our total federal budget. We interpret them also as requiring us to keep our economy strong and our society progressive; to develop to the best of our ability the great resources of our country which may become even more important for collective defence in the future than they have been in the past.

We also interpret our obligations under NATO as in no sense precluding our right to criticize when we think that things are going wrong. At the same time, we accept - with other members of the alliance - the requirements that any criticism must be responsible, restrained and constructive; recognizing that the preservation of unity within the alliance may, at times, be more important than insistence on a particular national position. The reconciliation of the right to disagree, on the one hand, with the obligation to maintain unity on the other, is going to be one of the hardest problems to solve in a group of states such as NATO, which is attempting to apply, internationally, the principles of free, democratic association.

To make this coalition work will require wise and far-seeing leadership, and whole-hearted co-operative effort by every member state.

I hope that Canadian policy and action will demonstrate the validity of my words when I say that we will do our part in this great and constructive international effort, the

purpose of which is the creation of a community of North Atlantic states whose co-operation will become closer and closer in a world where the recognition of interdependence has become the necessity of existence.

* * * *

R.M.C. AIDING CIVIL DEFENCE: Shades of musketeers will look down on unprecedented events when Kingston, Ontario, a major link in Canada's military defences in the early 19th century, becomes the locale of special civil defence courses designed to cope with some of the specialized problems resulting from 20th century warfare.

The Royal Military College, with a long tradition of military training, is taking in its stride the instruction of specialists in methods of protection against more deadly forms of warfare. Its doors were opened July 9 to federal civil defence authorities, and Brigadier Agnew and his directing staff are giving every possible help to Ottawa in the conduct of a special course in radiation monitoring.

The Civil Defence Co-ordinator, Major General F.F. Worthington, has arranged a three-weeks' radiation monitor instructors' course for civil defence workers. This is the first course of its kind to be operated anywhere specifically for civil defence.

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LOBSTER FISHING LAW STRENGTHENED: The federal Department of Fisheries has tightened up its regulations to combat illegal lobster fishing in the Maritime Area. All loopholes in the regulations have been plugged to allow prosecution of offenders found with undersized lobsters outside the specified lobster fishing areas.

SIX MONTHS' EXPORTS TO U.S. PASS BILLION MARK

NEW RECORDS ACHIEVED: Canada's domestic exports continued at a high value in June, being only slightly below the post-war peak in value reached in May, and eight per cent above last year's high June total. With relatively larger gains in each of the five previous months, the cumulative value of domestic exports in the first half of this year was more than one-fifth greater than a year ago. Well over half of this gain was due to increases in prices.

Exports to all countries in June were valued at \$312,500,000 as compared with \$323,400,000 in May and \$289,200,000 in the corresponding month last year. This brought the cumulative total for the half-year to \$1,740,200,000 -- a new post-war high -- as against \$1,430,600,000 a year ago.

HALF-YEAR EXPORTS

Both June and half-year exports to the United States moved upwards in value, the six-month total rising above the billion-dollar mark for the first time. In the half-year, exports to the United States accounted for 63.7 per cent of total exports, a slightly larger proportion than in 1950. Exports to the United Kingdom and Latin America were down in June but were higher in the half-year. Those to other Commonwealth countries also advanced in the half-year but showed a mixed trend in June, while shipments to foreign countries in Europe were up substantially in both periods.

Merchandise exports to the United States were up moderately in June in contrast to a sharp rise in the first six months of this year. Total for the month was \$188,418,000 as compared with \$177,742,000 a year ago, a rise of six per cent, while the six-month total was up 23 per cent at \$1,109,862,000 as against \$904,949,000.

Increases were spread throughout the entire list of commodities exported to the United States in the first six months of this year, while in June there were declines in the overall totals for the fibres and textiles, and non-ferrous metals group.

In the half-year the most pronounced dollar

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ATLANTIC FISHING GOOD: Fishing was good on the east coast throughout the winter and spring. Some of the low-priced varieties of fish were landed in unusually heavy quantities. As the catch of high priced varieties was also good, fishermen prospered, the Department of Fisheries has announced.

The following comparisons are between results for the January - May periods of 1950 and 1951.

There was more herring this year and herring is low-priced; but there was also much more

gain was in the wood and paper group, which rose to \$535,970,000 from \$450,377,000. The animal products group advanced to \$140,181,000 from \$110,807,000, non-ferrous metals to \$137,497,000 from \$124,760,000, agricultural and vegetable products to \$110,018,000 from \$75,245,000, iron and products to \$83,729,000 from \$66,544,000, non-metallic minerals to \$44,811,000 from \$33,445,000, chemicals to \$34,344,000 from \$28,666,000, fibres and textiles to \$10,260,000 from \$6,308,000, and the miscellaneous group to \$13,053,000 from \$8,796,000.

Half-year exports to the United Kingdom moved up to \$253,523,000 from \$235,917,000, but were down slightly in the month at \$51,267,000 from \$52,472,000.

Half-year exports to the rest of the Commonwealth rose to \$105,260,000 from \$94,770,000, but were slightly lower in June at \$14,855,000 as against \$17,989,000. There were larger shipments in the six months to the Union of South Africa, India, Australia, and New Zealand, but reductions to Pakistan and Ceylon. In June there were smaller shipments to the Union of South Africa, India, Australia, and New Zealand, but a gain in Jamaica.

TO LATIN AMERICA

Reversing the trend of earlier months, exports to Latin American countries were down in June to \$11,207,000 from \$13,949,000, the half-year total standing at \$79,748,000 against \$60,825,000. There were marked advances in the six-month period to Brazil, Cuba, Honduras, Mexico, and a sharp decline to Argentina.

Exports to European countries were doubled in value in June, and were sharply higher in the six-month period. Total was \$32,179,000 for the month as against \$16,213,000, and the aggregate for the half-year \$114,590,000 against \$80,403,000. There were large gains in both periods to Belgium and Luxembourg, France, Germany, Italy, and Norway. Totals for Ireland and Switzerland were down in the month but higher in the half-year.

haddock which is relatively high-priced. The value of the haddock fishery alone passed the million-dollar mark. Alewives and rosefish doubled in quantity and mackerel more than doubled. Four and a half million pounds of smelt were taken, compared with three and a half million last year. The cod catch was slightly up in both weight and value. The lobster catch was somewhat heavier but the average price was down from \$29.69 per hundred-weight to \$26.14.

EMPLOYMENT REFLECTS YEAR OF EXPANSION

UP 200,000: At the beginning of July, when the bulk of hiring for seasonal activities had been completed, the full effects of a year of economic expansion were becoming clearer. Civilian employment has shown an increase of over 200,000 and, in addition, the armed forces have expanded by some 34,000. Currently, less than 3% of the labour force is seeking jobs through the National Employment Service, a decrease of 53,000 from the total of last year. Eighty-five per cent of the 170 labour market areas in Canada are short of men for one or more occupations, the Department of Labour announced August 2.

This rapid rate of expansion showed some signs of slackening during June. The seasonal flow of workers continued more slowly, mainly into construction, food processing and pulp and paper mills. In the manufacturing industries there was some easing in manpower requirements as earlier anticipatory buying, higher sales taxes and tighter credit regulations acted to curb employment expansion in the consumer durable goods industries. Aircraft, shipbuilding and railway rolling stock firms continued to make steady additions to staff.

In the year following the outbreak of hostilities in Korea, the impetus given by strong civilian demand, followed by a growing volume of defence orders, produced an employment gain of about 100,000 in manufacturing. Some indication of strength of consumer demand is indicated by the employment increase of 28,000 which occurred in industries devoted mainly to the production of consumer goods. Increasing production and industrial capacity created 29,000 more jobs in the producer goods industry. The production of such basic materials as steel, base metals, paper, textiles and chemicals to

feed the industrial machine required 40,000 additional workers.

The construction of new industrial capacity together with extensive resource developments have outweighed the employment effects of the decline in new residential housing. Hydro projects presently under way at Prince Rupert and Trail, B.C., at Lynn Lake, Manitoba, at Niagara Falls and in northern Quebec are absorbing an increasing number of men, while a large volume of defence construction is under way. Construction contracts awarded for the first five months of this year rose to \$796 million, almost double the total of the same period in 1950.

Chief factors in the upswing in logging employment have been the strong world demand for newsprint and the return of the United Kingdom to its traditional position as chief customer for B.C. lumber. Before the recent drought, production of lumber and plywood in British Columbia was running 25 per cent above the level of any post-war year, and the establishment of two new pulp mills has substantially increased the consumption of pulpwood. The labour requirements necessary to attain this level of production have caused employers to recruit workers from the Maritimes and overseas.

In Eastern Canada, at the height of the pulp cutting season last winter, over 65,000 were working in the bush, a 45 per cent gain over the previous year. In an attempt to meet still higher levels of production in the coming season, contractors are currently attempting to work through the black fly season, with varying degrees of success. Latest figures show 33,000 employed in pulp cutting, 5,000 higher than the previous record in 1947.

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ROYAL VISIT ITINERARY (Cont'd. from p.1)

They are to arrive in Victoria October 14 and visit Esquimalt on the 15th, with a holiday period scheduled for October 16, 17 and 18. They will be in Edmonton on October 20, and proceed by air to Saskatoon, Fort William and Port Arthur on October 21.

They are to arrive at Dorval airport at

Montreal on October 22 and proceed by air on October 24 to Washington. On the 26th they are to return by air to Montreal and holiday on October 27 and 28.

October 30 and 31, and November 1, 2, 3 and 4 are to be spent in the Maritimes with November 4 the date of arrival at St. John's, Newfoundland. On November 5 they embark on the *Empress of Canada* for the United Kingdom.

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WEEK'S EVENTS IN REVIEW

NATO COUNCIL TO MEET IN OTTAWA: A meeting of the Council of the North Atlantic Treaty Organization is to take place in Ottawa beginning September 15, it was announced August 3 by the Department of External Affairs. An announcement was issued simultaneously by NATO. The text of the NATO announcement is as follows:

"Two meetings of the North Atlantic Council will be held this autumn, it was announced today by Mr. Paul Van Zeeland, Belgian Foreign Minister and Chairman of the Council. Prior to the ordinary annual session, which is to convene in Rome at the end of October a meeting of the Council will be held in Ottawa on September 15 to consider such problems as may be ready for discussion or action by the Council at that time."

The Canadian Government is pleased that the capital of this country has been chosen as the site for the Council meeting, and will be glad to welcome the national delegations of the other eleven members of NATO to Canada. The importance of building up the collective defences and of promoting the closer association of the North Atlantic area hardly needs to be stressed. Canada has from the inception of the Treaty been very conscious of the need to carry this work forward effectively and speedily. The present meeting will serve to empha-

size the determination of all the NATO countries to maintain the momentum already created in order that the strength of the North Atlantic area may shortly reach the point where it can hold at bay the forces of any potential aggressor, said the Department's statement.

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ARMS FOR FREE EUROPE: Speaking at ceremonies attending the shipment of weapons and equipment by which Canada completed the delivery to Italy of a division's equipment of arms and ammunition, in Montreal, July 31, the Minister of National Defence, Mr. Claxton, reviewed Canada's contributions under the North Atlantic Treaty.

Under the agreement, the Minister said, Canada had now transferred to North Atlantic Treaty nations the equipment for three divisions and also the guns for an artillery regiment.

In each of these cases Canada indicated to the Council Deputies and Standing Group of NATO its willingness to transfer this equipment to the countries where it was most urgently needed. In each case Canada received the advice of the Standing Group and acted on that advice.

Word was received in October, 1950, that the Standing Group recommended that the first

GOLD PRODUCTION UP: Canada is the second largest producer of gold, being exceeded only by the Union of South Africa. Production in 1950 totalled 4,448,178 fine ounces compared with 4,123,518 fine ounces in 1949 and with 5,345,179 fine ounces in 1941, the peak year. Ontario contributed more than half the total in 1950. The increase in output, however, came mainly from Quebec where production was almost 136,000 fine ounces greater than in 1949, and almost 10,000 ounces greater than in the peak year of 1941. Output from Ontario and Manitoba also increased but that from British Columbia continued to decrease. Exploration and development activity continued to decline, the Department of Mines and Technical Surveys reported.

* * * *

IMPORTS SET RECORD: Canada's commodity purchases from other countries took another jump in May, reaching a new all-time monthly peak total, while sales of Canadian goods abroad were at their highest post-war value, according to summary bulletins released by the Bureau of Statistics. As in the four preceding months, the gain in imports over last year was somewhat larger than that for exports, resulting in a substantially larger import balance than in 1950.

Commodity imports in May were valued at \$405,100,000, a rise of 39.6% over last year's May total of \$290,200,000, and domestic exports rose to \$323,400,000 from \$287,000,000, or by 12.6 per cent. Foreign exports totalled \$3,600,000 as against \$2,600,000. The resulting debit balance on foreign trade account in the month was \$78,100,000 as compared with only \$600,000 in May last year.

MERCHANDISE IMPORTS

In the first five months of this year, merchandise imports were nearly 49% higher at \$1,742,000,000 against \$1,170,600,000, and domestic exports rose 25% to \$1,427,700,000 from \$1,141,400,000. Foreign exports in the five-month period were valued at \$19,000,000 as against \$14,900,000. The result was a cumulative import balance of \$295,200,000 as against a comparatively small total of \$14,300,000 a year earlier. Most of this change was due to a much greater rise in the volume of imports than of exports.

About half of the rise in the value of imports in May was due to higher prices and the other half to an increase in volume. There were increased purchases from most geographic areas of the world in May, but the advance in imports from the United States accounted for about two-thirds of the total increase from all countries. There were gains in purchases from the United Kingdom, Commonwealth countries in Asia and Oceania, but smaller purchases from Commonwealth countries in America and Africa. Purchases were larger from Latin Amer-

ican countries, foreign countries in Europe, and other foreign countries as a whole.

Domestic exports to the United States were substantially higher in the month but were down slightly to the United Kingdom. There were increased sales to Commonwealth countries in America, Africa and Oceania, but lower sales to Asia. Sales to Latin American countries rose in total but fell to foreign countries in Europe.

Imports from the United States rose in May to \$273,171,000 from \$195,522,000 in May last year, a rise of 39.7%, and domestic exports advanced 19% to \$208,678,000 from \$175,406,000.

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GUESTS FROM PAKISTAN: Three leading engineers from Pakistan, members of a Highways and Bridge Erection Mission to Canada, arrived in Ottawa July 27 under provisions of the Technical Co-operation Programme of the Colombo Plan for the Economic Development of South and South-East Asia. They left Karachi on July 24, flying to Canada via London.

Lieut.-Col. S.H. Khan is Commander of the Royal Pakistan Engineers, stationed at Rawalpindi, and is interested in road construction, hydro-electric development, dam construction and steps being taken by Canada to stop silting. His military training was obtained with the Royal Bombay Group of Sappers and Miners of the late Indian Engineers, and in 1947 he held a staff position in India, somewhat similar to the position he now fills in Pakistan.

Mr. D.M. Khanzada is Senior Executive Engineer of the Combined Public Works Department of the Northwest Frontier Province, combining responsibility for road construction and bridge erection. In addition to these subjects, he is interested in studying dam construction and hydro-electric development in Canada. After completing his tour of Canada, Mr. Khanzada has been instructed by his Government to visit the Tennessee Valley Authority project in the United States.

Mr. M.A. Waheed is Superintending Engineer for Buildings and Roads in the Public Works Department of the Punjab, with headquarters in Lahore, and was previously Under-Secretary in the Public Works Department of the Punjab. Mr. Waheed is also interested in studying road construction, bridge erection and design in this country.

* * * *

FIRST WOMAN ARMY DOCTOR: For the first time in peacetime history the Canadian Army is to have a female medical officer. Holder of this distinction is Captain Ellice Agnes Parmenter, 29-year-old Scottish doctor and mother of two children, who recently was appointed to the Army in a brief ceremony at the Canadian Army Liaison Establishment, London, England.

(Continued from p. 1)

ARMS FOR FREE EUROPE

division's equipment should be transferred to The Netherlands. The transfer was completed November 25.

On February 6 Canada received word that the Standing Group recommended that the second Division's equipment should be transferred to Belgium and that transfer was completed March 12.

In January of this year Gen. Eisenhower had asked if Canada could find the guns for a regiment of artillery in Luxembourg. Delivery was completed March 29.

In the case of the third division of equipment, the Standing Group's recommendation was received in May and delivery was now being completed.

The Minister proceeded:-

OBJECTIVES ACHIEVED

"By this means Canada has achieved several different objectives.

"(1) We have strengthened the forces of freedom in Europe by making weapons available where, we all agree, lies the focal centre of global defence. The transfer of these weapons means in effect adding a division to the forces of the western powers. There are more men available than there is equipment for them to use.

"(2) Since the recipient countries already have equipment of British type, it means that for the time being their training and supply problems are not complicated by the provision of different types; in other words, this assists temporarily in standardization in Europe.

"(3) This is one means, the only means, we could consider in peacetime under which we in Canada could standardize on U.S. types of equipment. As each division's equipment has been offered we have made arrangements for its replacement by corresponding items of United States types. We regard it as simply common sense from the military and industrial point of view that the forces of North America should, as far as possible, make and use the same types of weapons:

"We have already received from the United States delivery of the equipment for a complete division and the second division is well under way.

"In order to obtain these replacements it was necessary to buy in the U.S.A., but the Department of Defence Production has been giving consideration to what types of U.S. equipment should be manufactured in Canada. One important factor is whether or not the equipment required for the Canadian forces alone would justify the expense of tooling up. Our position here would be greatly assisted by orders for more items of U.S. type equipment from the United States, for delivery there or abroad. That, of course, is being worked upon.

"This question of standardization of different types naturally brings to mind the meeting which is to be held in Washington the day after tomorrow. (Aug. 2)

"For several years Canada, the United States and the United Kingdom have been working on the standardization of weapons. A fundamental weapon was the rifle and we had hoped and expected that the United States and United Kingdom would agree on a new weapon to replace the Garand .300 and the Mark 4 SMLE 303.

DIFFERENT CALIBRES

"Under consideration were weapons of two different calibres, the .30 and the .280.

"Our part in this operation was to do the work on adapting or re-making the existing .303 Mark 4 rifle and the Bren gun to take either .300 or .280 rimless cartridges. We have done our part of the job. Both could be done, though at considerable expense.

"Canada's attitude made it plain that we would accept as standard anything agreed to by the United Kingdom or the United States.

"Unfortunately, such an agreement has not yet been reached. As this appeared to us to be of very considerable importance in our common effort both from the military and industrial point of view, I approached General Marshall, Secretary of Defense of the United States and the Right Honourable Emanuel Shinwell, Minister of Defence of the United Kingdom to see if we could not meet together and reconsider the matter of the rifle and related questions.

"I am glad to say that both my colleagues agreed to this suggestion with the result that the meeting is taking place at Washington the day after tomorrow.

"Canada will go to that (Washington) meeting with the intention of doing everything possible to secure the greatest measure of agreement.

"Our policy on further re-equipment with rifles will depend largely on the outcome of the meeting.

"We have received the delivery of Garands for a division and as we already have a considerable number of Garand rifles this does not further complicate the position. In the event of our deciding to keep the .303 Mark 4 for the time or deciding to adopt some other rifle the Garands could easily be transferred to nations associated with us which are anxious to have them.

"Pending this further consideration, however, we are not taking further Garands as we have in mobilization stores or on issue enough .303 Mark 4 rifles to meet current needs and the needs of immediate mobilization.

"Once this and other similar matters are settled we shall have further equipment to transfer to European countries on a considerable scale, but until these matters are decided upon we are going to keep most of that equipment.

"Our aim is always to have on issue or in stores the equipment necessary to meet all peacetime needs, to provide for training, to take care of mobilization and to see us through the first year of an all-out war. We have a large part of this already and we will continue to build this up until this target is achieved.

"Accordingly, this is likely the last large shipment we shall make for some time.

"It must not be forgotten that during the last eighteen months of the Second World War Italy was our ally. Throughout the turmoil of the postwar years she has remained on the side of freedom, on our side. She knows what it is to battle communists because she has been doing that successfully at home...."

* * * *

CIVIL DEFENCE MANUALS: What every Canadian should know about modern air attack and how to act to minimize loss of life and property is explained in one of several publications being issued by the Department of National Health and Welfare, the federal civil defence agency. Entitled "Personal Protection under Atomic Attack", a colorful 48-page pocket-size book prepared by the office of the federal civil defence co-ordinator explains various types of atomic bursts and gives advice on what to do before, during and after an air raid.

The same book includes instructions on reinforcing basements and on building shelters for small family groups, what to do under various raid conditions and a wealth of other useful information designed to prepare Canadians for any emergency. Although it is predicated mainly on atomic attack, the manual points out that precautions recommended apply equally to any form of air assault.

The "Personal Protection" book is only one of a number of manuals actually produced or in preparation which are being made available to civil defence workers as well as to the general public through provincial co-ordinators and municipal civil defence directors.

Already printed and provided to civil defence officials throughout Canada are manuals on "Organization for Civil Defence" and "The Civil Defence Training Plan." Now being distributed is a technical manual containing color charts describing the "Effects of the Atomic Bomb on Structures and Personnel."

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INTERNATIONAL SECURITY TRANSACTIONS: Security transactions between Canada and other countries in May resulted in a small purchase balance of \$2,900,000, contrasting with net sales in each month from January through April. Due to substantial sales balances in January and February, total sales in the first five months of this year exceeded total purchases by \$39,800,000.

The purchase balance in May was principally due to transactions with the United States,

the balance in the month amounting to \$3,200,000. Transactions with the United Kingdom resulted in a purchase balance of \$1,600,000, while transactions with other countries continued to produce a sales balance which amounted to \$1,900,000 -- the smallest of the year.

Sales to all countries in May were valued at \$34,600,000 compared with \$25,900,000 a year earlier, and in the five months aggregated \$265,900,000 as against \$114,700,000. Purchases in the month were \$37,500,000 as against \$24,100,000, and in the cumulative period were \$226,100,000 against \$108,400,000.

Sales to the United States in May totalled \$30,800,000 as against \$24,600,000, and purchases amounted to \$34,000,000 compared with \$21,100,000. In the five-month period, sales aggregated \$241,600,000 as against \$108,700,000, and purchases amounted to \$211,100,000 against \$95,100,000.

May sales to the United Kingdom totalled \$700,000 against \$400,000 a year ago, and in the five months amounted to \$2,800,000 against \$2,200,000. Purchases in the month were \$2,300,000 against \$2,400,000, and in the five months aggregated \$9,000,000 against \$11,300,000.

* * * *

NATIONAL STATISTICS

Wholesale prices rose to a higher level in June, following a slight decline in May. The general index for June, on the base 1935-39=100, stood at 242.7 as compared with 241.9 in May, 242.2 in April, and 209.2 in June last year****New passenger car sales were down 35 per cent in number and 15 per cent in value in June from a year ago. British vehicles again sustained the sharper setback, their sales falling 80 per cent compared with a 20 per cent decrease for Canadian-American makes**** Production of iron and steel continued to climb over last year's levels in May, resulting in substantial gains in the first five months of this year****Visible supplies of Canadian wheat in store or in transit in North America on July 19 amounted to 160,874,000 bushels as compared with 163,028,000 a week earlier, and 96,718,000 on the corresponding date last year****June sales of department stores were up only slightly as compared with the same month last year but there was a rise of nine per cent in the first six months of this year. All-Canada sales in the month were valued at \$69,530,000 as compared with \$69,170,000 a year earlier****Volume of revenue freight loaded on Canadian railways continued steady during the week ending July 28, totalling 84,038 cars as compared with 84,782 in the preceding week and 81,018 in the corresponding week last year. This brought the cumulative total for the first 30 weeks of the year to 2,373,417 cars as against 2,185,292 in the same period of 1950.



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WEEK'S EVENTS IN REVIEW

3 MONTHS' SURPLUS \$336.4 MILLION: The accumulated budgetary surplus for the first three months of the fiscal year was \$336.4 million compared with \$213 million for the corresponding period of a year ago, it was announced July 28 in a statement by the Comptroller of the Treasury.

The statement shows that total revenues for the month of June amounted to \$295.4 million compared with \$195.0 million for June 1950. Revenues for the first three months of this fiscal year amounted to \$866.7 million compared with \$634.2 million for the same period of the previous fiscal year, an increase of \$232.5 million. Individual income tax collections were \$79.4 million higher at \$256.8 million due in part to higher levels of personal incomes and in part to the fact that 1950 figures were abnormally low by reason of tax refunds arising from the 1949 tax changes.

Corporation income tax receipts for the April-June quarter were \$88.1 million higher, at \$230.7 million reflecting the higher corporation profits in 1950 and the increased tax rates imposed in the September 1950 budget. Customs import duties showed an increase of \$31.6 million due to the sharp expansion of imports. Excise taxes were \$68.1 million higher than in the comparable period in 1950 due to

increased consumer spending and the increased rates set in the 1951 budget.

The Minister of Finance, Mr. Abbott, pointed out that when he brought down his budget on April 10 he had indicated that the revenue forecast was based on the expectation that in 1951 the gross national product would reach \$20 billion, but that should production and incomes rise beyond that level, the forecast would likely be exceeded. It now appeared that this estimate of \$20 billion for the gross value of national production this year will probably be exceeded, and that the Government revenues in turn would exceed the budget forecast.

In the first three months of the fiscal year, total expenditures amounted to \$530.3 million compared with \$421.2 million for the same period in 1950. The increase of \$109.1 million was largely accounted for by an increase of \$92.8 million in expenditures of the Department of National Defence from \$86.7 million in the first three months of 1950-51 to \$179.5 million for corresponding period in 1951-52. This expenditure for National Defence of \$179.5 million in the first quarter and \$82.3 in June compares with total estimates for that Department of \$1,614 million for the year as a whole, or an average of \$134 million per month.

IRRIGATION IN SOUTHERN ALBERTA

ST. MARY RIVER PROJECT: The following extract from the address of the Minister of Agriculture, Mr. Gardiner, on the occasion of the ceremonies attending his opening of the St. Mary River Dam, in Southern Alberta, on July 16, explains the scope and objectives of that irrigation project:

"The purpose of the St. Mary River Project is to construct new reservoirs and canals in addition to enlarging what was the canal system of the Alberta Railway and Irrigation Company to some 345,000 acres of additional lands to the south and east of the present Lethbridge-Coaldale district. In addition to protecting Canada's right to beneficial use of the streams it will provide additional water for new lands and a secure water supply for the existing projects.

"The Canadian Government has undertaken the responsibility for all engineering work and for construction of the main dams, reservoirs, connecting works and the appurtenant structures between Waterton River and Ridge River inclusive. The Alberta Government undertakes responsibility for the construction of the balance of the project from Ridge Reservoir to Medicine Hat, including all distribution systems. It is also responsible for the colonization and settlement of new irrigable lands.

"The St. Mary River Dam which we are opening today is the key structure of the project. Built of compacted earth, it is 186 feet high and creates a lake 18 miles long and about 6 miles across at the widest point. A few years ago two small villages and several farms were situated in what is now the bottom of the lake. Before starting construction it was necessary to construct a large tunnel twenty

feet in diameter and 2,100 feet long to divert the water of the river from its natural course at the Dam site. The Dam is provided with an irrigation tunnel 17 feet in diameter and 2,900 feet long to release the water needed for irrigation.

"The re-arrangement of water flow following the completion of the works on the St. Mary and the junction with the Milk River water-storing project will change the face of agriculture and industry as well in this district, as it did in the other parts of Southern Alberta already irrigated. In the Taber-Lethbridge area, for instance, the growth of food processing plants has been a natural accompaniment of irrigation.

"Canning crops and sugar beet culture are flourishing therein. Large acreages, endowed with uniform soil and climatic conditions, are well adapted to the production of a large volume of bulky agricultural products, such as vegetables, which are expensive to transport. With sufficient moisture, volume can be maintained as yield does not tend to fluctuate.

"While such benefits are of national importance however, the major benefit a project such as St. Mary provides is insurance for the livestock industry against drought and the general stability it provides agriculture. The livestock industry is growing in Western Canada and conservation measures such as the St. Mary will enable further progress with safety. In addition, with the need to rehabilitate many farmers from parts of the Prairies where dry land farming is not practical, this project will enable the resettlement of many farmers and provide a more secure standard of living for them...."

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"MAGNIFICENT" TO TAKE JETS TO U.K.: National Defence Headquarters has announced that the Canadian Navy and Air Force were experimenting last week with loading arrangements for F-86 Sabre jet aircraft on board the aircraft carrier HMCS Magnificent, at Halifax. The experiments are preparatory to the carrier transporting aircraft of 410 Squadron of the RCAF, now based at St. Hubert, P.Q., to the United Kingdom late this fall.

One of the squadron's jets was flown to Dartmouth, N.S., Monday, July 23, and was taken by barge to the dockyard at Halifax where the Magnificent is berthed. Throughout the remainder of the week the aircraft served as a guinea pig in establishing the procedure for hoisting the jets aboard the carrier and the stowage of them in the shipboard hangars.

Plans are underway for HMCS Magnificent to transport 410 Squadron aircraft to the United Kingdom after she returns to Halifax in October from her Mediterranean cruise.

RN, U.S. SHIPS TO VISIT HALIFAX: A Royal Navy cruiser and units of the United States Navy will pay informal visits to a number of Canadian East Coast ports this August, Naval Headquarters has announced.

HMS Superb is scheduled to call at St. John's, Nfld., August 1 - 6; at Halifax, August 8 - 15, and at Saint John, N.B., August 16 - 20. The cruiser wears the flag of Vice-Admiral Sir R.V. Symonds-Taylor, Commander-in-Chief of the America and West Indies Station.

A United States naval training group, numbering seven ships and more than 5,000 officers and men, is scheduled to visit Halifax August 10 - 15.

The British and United States ships will be in Halifax together, their visits having been timed to coincide with Navy Week in the east coast city.

COLOMBO PLAN GUESTS: Abdul Ghafoor Butt and Ata-Mohamed, of Pakistan have arrived in Ottawa as the first of more than 60 delegates from Asiatic countries who are scheduled to study various aspects of Canadian technical and scholastic developments as guests of the Canadian Government under the Technical Co-operation Programme of the Colombo Plan.

For the next five weeks they will attend the international summer seminar on "The Contributions and Needs of East and West", sponsored by the International Students Service of Canada at St. Alexander's College near Ottawa. They will then undertake a course of six to nine months' study arranged for them by the Technical Assistance Service of the Department of Trade and Commerce through a specially constituted committee on Fellowships and Scholarships.

EDUCATION SYSTEM

Mr. Butt, who is Deputy Divisional Inspector of Schools for the Rawalpindi Division of Pakistan, will be studying the Canadian organization of instruction for secondary schools. Mr. Ata-Mohamed, Inspector of Schools for the Pakistan province of Baluchistan, will pay particular attention to the organization of polytechnical education. Their purpose is to study the Canadian educational system and incorporate what may be of value into their own long range plans.

Both were selected by their Government for the Fellowships which are provided by Canada under the Colombo Plan for the Economic Development of South and South-East Asia. All their expenses are paid by the Canadian Government under the scheme, which is underwritten jointly by the United Kingdom, Australia, New Zealand and Canada.

Approximately sixty additional scholars and fellows will be coming to Canada in the next two months from India, Pakistan, Ceylon and Viet-Nam. They will study such subjects as railway transportation, railway shop administration, various branches of medical science, education, the national insurance programme, agriculture, marketing methods, geology, hydro-electric development, land settlement and town planning.

* * * *

INSTALMENT SALES RISE: Dollar estimates of consumer credit, now available for the first time, indicate that instalment sales recorded a much higher percentage increase than cash or charge sales in the first three months of this year over the same period of 1950, according to preliminary estimates released by the Bureau of Statistics. However, instalment is the smallest of the three sales classes reviewed and the volume increases for cash or charge sales were somewhat greater.

Total retail sales in the first quarter of this year advanced to \$2,154,700,000 from

\$1,806,200,000 in the corresponding period of 1950, or by 19 per cent. Instalment sales rose from \$129,700,000 to \$172,800,000 in the same months of 1950, a gain of 33 per cent. Charge sales, at \$446,600,000 were 20.5 per cent ahead of last year's first quarter total of \$370,600,000, and cash sales -- by far the largest part of total sales -- rose from \$1,305,900,000 to \$1,535,300,000, or by 18 per cent.

Of a total retail trade of \$9,087,600,000 in the full year 1950, it is estimated that cash sales were \$6,616,800,000, instalment sales were \$674,400,000, and charge and other credit sales amounted to \$1,796,400,000. In 1949, retail sales aggregated \$8,427,900,000, cash sales accounting for \$6,192,200,000, instalment \$515,000,000 and charge sales for \$1,720,700,000.

* * * *

TIGHTEN CREDIT REGULATIONS: Several changes in the Consumer Credit Regulations were announced on July 24 by the Minister of Finance, Mr. Abbott. None of these involves changes in the minimum down payments or in the maximum period of credit. They will come into effect on August 1.

Mr. Abbott said that the changes are those required to bring into effect the amendments to The Consumer Credit Act which were passed by Parliament at the last session as well as to make some minor amendments for purposes of clarification and removal of inconsistencies which have become apparent through experience gained by the administration.

Under these Regulations new rental contracts are controlled for the first time. Contracts of work and labour where consumer goods are supplied under the contracts are also made subject to the Regulations for the first time.

Although no changes in the terms of payment are made, trade-ins will be allowed to form part of the minimum down payment on all types of goods after August 1 provided that the cash price of the goods being purchased is not marked up.

* * * *

RETAIL SALES UP 13 P.C. IN MAY: Dollar volume of retail sales rose 13 per cent in May to \$884,790,000 from last year's corresponding total of \$780,200,000. This increase, similar to that for April, but short of the 19 per cent advance in the first quarter of 1951, maintained consumer spending well above last year's level. Price increases, while they cannot be directly related to the sales gains which have occurred, account for much of the dollar volume expansion in sales. To the end of May this year sales aggregated \$3,861,310,000, some \$555,000,000 or 17 per cent more than the January-May 1950 total of \$3,305,660,000.

MANPOWER REPORT: The manpower needs of logging, mining, the growing defence production and construction programmes, industrial expansion and resource development projects, have continued to increase through the Spring and early Summer, maintaining a level considerably above that of 1950. Concurrently, the number of occupations for which demand exceeds local supply also has enlarged, as has the number of local areas in which shortages of particular skills have been noted, the Minister of Labour, Mr. Gregg, announced on July 23.

To the list of occupations that are in short supply in many areas were added, by mid-June, some of the construction trades, auto mechanics and repairmen, experienced miners, transportation, communication and public utilities, and woodworking. Formerly, the predominant shortages were for loggers and bushmen, farm hands and the metal-working skills.

In some areas, impending shortages of manpower, especially construction and agricultural workers, have been largely offset by movements of workers from other areas and regions. In a few manufacturing centres, the same effect was noted in other occupations as some firms cut back production, particularly of consumer durables such as automobiles, refrigerators, washing machines and radio and television equipment; reducing the work week and numbers employed. Shortages of components and materials, rising inventories, due to record production levels and a reduction in effective consumer demand, and the usual seasonal slackening of production in some industries, notably clothing, were among the chief reasons for these cut-backs.

SUSTAINED IMPROVEMENT

The employment dislocations arising out of these production cut-backs did little to impair the sustained improvement in employment conditions across Canada during the first half of June. Some indication of this improvement may be gained from National Employment Service statistics of active job applications at mid-June. A drop of a further 13,000 from the beginning of the month, concentrated entirely among the males, brought the all-Canada total down to 138,000 at June 14, over 82,000 lower than a year earlier and representing about two and one-half per cent of the estimated civilian labour force.

Occupationally, the improvement continued to be proportionally greater for skilled and unskilled labour than for professional, clerical, sales and service workers. At mid-June, fewer fishermen, seamen, loggers and woodworkers, skilled metalworkers, construction tradesmen and related occupations were seeking work. Among unskilled categories, the number of food, textile, lumber, pulp and paper, metal, transportation equipment, mine, construction and dock workers looking for jobs

was considerably lower. On the other hand, the early completion of spring seeding in some areas brought a few more farm hands back onto the labour market, and more experienced miners were seeking jobs.

On the job opportunities side of the picture, mid-June statistics of the N.E.S. show that there were more than ten job openings in logging for every job application in that category, where the ratio had been only six vacancies to each application two weeks earlier. There were slight increases in the demand for metalworkers, skilled and unskilled, and for auto mechanics and repairmen. In addition, although the demand for farm help, aircraft workers and unskilled mine workers eased somewhat over the two-week period, there still were several vacancies listed with the N.E.S. for every active job application filed in those groups at the middle of the month.

* * * *

ARMS FOR ITALY: A ceremony, symbolizing the handover of Canadian Army equipment to Italy, was held at Montreal Harbour on July 31.

Artillery and infantry equipment turned over to the Italian Army by Canada includes rifles, bren guns, 6-pounder anti-tank guns, 25-pounder field guns and various instruments.

A self-propelled 25-pounder was officially handed over by the Minister of National Defence, Mr. Claxton, to His Excellency Mario De Stefano, Italian Ambassador to Canada, as a symbol of the entire shipment. Both the Defence Minister and the Ambassador delivered brief addresses. A guard of honour and band from Quebec Command participated.

* * * *

AUTO ENTRIES AT RECORD: Foreign vehicles entering Canada on traveller's vehicle permits in June totalled 292,264 -- a new record for the month -- as compared with 237,867 in June last year, a gain of 23 per cent. Cumulative entries for the first six months of this year rose 13 per cent to 669,414 from 592,467 in the similar period of 1950. Increased entries were recorded in all areas in June except Nova Scotia, while in the first half totals for Nova Scotia and New Brunswick were lower.

* * * *

PRAIRIE CROP OUTLOOK: With some significant exceptions, the crop outlook in the Prairie Provinces remains optimistic. Warmer weather has speeded development of crops in Alberta, and present prospects indicate excellent yields in that Province providing the weather remains favourable and crops escape early frost damage. Growth has been rapid in Saskatchewan with crops drawing heavily on moisture supplies. Rain is now urgently required in many southern sections where some deterioration has already occurred, it was reported July 24.

MR. WRONG'S DETROIT ADDRESS: The long-standing friendship between Canada and the United States is of growing value today, and will be of still greater value in the future; for the affairs of Canada and the United States, both public and private, are getting mixed up with each other more thoroughly all the time, the Ambassador of Canada to the United States, Mr. Hume Wrong, said in Detroit, Mich., July 24, at the dinner in celebration of the 250th birthday of that city.

After mentioning the intimacy which exists between the people of Detroit and Windsor and environs, Mr. Wrong touched on Canadian-American historical events as indications that, despite international friendliness, there was plenty of need for clear thinking and tolerant understanding in the conduct of public business between the two Governments. Were it not that "friendship dwells in the hearts of their citizens," those responsible in Washington and Ottawa, he said, would have a great deal to worry about.

The Ambassador dealt with international achievements under the United Nations and North Atlantic Treaty, and proceeded as follows:

LEADERSHIP OF U. S.

"These achievements are of a scale and character which no-one could conceivably have imagined as possible a very few years ago. They have been made possible by the leadership rightly and boldly undertaken by the United States, and I take pleasure in emphasizing this in the presence of the Secretary of State. There is still a long and hard way to go, there are other bold steps which free nations will have to take for the first time, before we can hope to feel any reasonable assurance that our free world is not going to be engulfed again in the most irrational of human pursuits, the waging of general war. We must still be ready to devote a most distasteful proportion of our energy and resources to defence. We must strain ourselves to this end today and next month and the year after next and perhaps the decade after next.

"Here, in one of the greatest arsenals of the free world, I am glad to speak this evening from the same platform as the Secretary of State of the United States, the French Ambassador and the British Ambassador. The history of Detroit has been closely involved in one way or another with that of all our countries. Likewise the past, present, and future of Canada is bound up with each of them: with the United States by ties too many to enumerate of friendship, of common aims, of self-interest, of the joint heritage of a rich continent; with France by ties of history, of racial origin, of rich tradition, and for many of my countrymen of common language; with the United Kingdom in countless ways, by ties strong and tried, which have changed and de-

veloped through the years as Canada emerged by peaceful evolution from colonial status into complete sovereignty, while remaining a member of that remarkable and undefinable association of independent states, the British Commonwealth of Nations.

"What conflicts there have been between our four countries are matters of past history. They now stand together, in a period of strains and stresses which sometimes seem barely tolerable, as partners in a joint enterprise, the stakes in which are the highest that anyone can imagine."

* * * *

PROBE MYSTERY OF POLIO: Investigations are being carried out at the Connaught Medical Research Laboratories, Toronto, to throw further light on the behaviour of the strains of poliomyelitis virus isolated from Eskimos during the Arctic outbreak of 1948-49, it was announced July 27, by the Department of National Health and Welfare, which said that a grant of \$12,000 has been earmarked for investigations.

The polio outbreak among the Eskimos at Chesterfield Inlet, N.W.T., is regarded by epidemiologists as unique because of the high rate of attack and of fatalities and because it occurred in the Arctic in mid-winter. Approximately half the Eskimo population of this settlement had non-paralytic attacks of polio, 14 per cent developed paralysis and five per cent died. No cases of paralysis developed among the white inhabitants of the district.

The Toronto research is an attempt to find the reasons for this unusual outbreak and thereby to shed some light on the mystery of polio.

* * * *

EMPLOYMENT INCREASE: Employment in the major non-agricultural industries continued upward at the first of May, according to information furnished the Bureau of Statistics by 22,000 of the larger establishments throughout Canada. There were widely distributed increases, geographically and industrially as compared with a month earlier. The improvement took place among male employees, the number of women on the reported staffs falling slightly.

The index number of employment, on the base 1939=100, stood at 175.3, up 9.7 per cent over the May 1, 1950 level, and 1.1 per cent above the April figure of 173.3. With the exception of the period, October 1, 1950 - January 1, 1951, the latest figure was higher than in any earlier month. Index number of payrolls at May 1 rose to a new high of 367.1, a rise of 20.1 per cent over May last year, and a gain of 2.6 per cent over April 1. Weekly wages and salaries averaged \$49.13 -- also a new peak -- as compared with \$44.88 at May 1, 1950, and \$48.43 at the beginning of April this year.

LABOUR-MANAGEMENT CO-OPERATION: A declaration by the Minister of Labour's Advisory Committee on Labour-Management Co-operation calls for a "co-operative partnership of management and labour" to meet defence requirements and urged that the manpower resources of the nation be utilized to the fullest possible extent to increase production and thus maintain present living standards.

In following this policy, the Committee stated, labour and management would make an "outstanding contribution to the national welfare" by the development of good industrial relations, "which are vital to increased production".

In addition to its endorsement of the service rendered by the Department of Labour by encouraging the establishment of Labour-Management Production Committees, the Committee's declaration urged trade unions and employers to give strong support to these Committees as instruments which experience shows have "increased production, improved efficiency and created an atmosphere of mutual respect and confidence".

The text of the declaration released July 25 by the Minister of Labour, Mr. Gregg, follows.

"To meet defence production requirements and at the same time maintain present living standards, the manpower resources of our nation must be utilized to the fullest possible extent. This requires the co-operative partnership of management and labour.

"The key to the continuation of Canada's prosperity, and the most potent weapon against inflation, is greater production. By the development of good industrial relations, which are vital to increased production, both groups will make an outstanding contribution to the national welfare.

"Experience shows that properly organized and directed Labour-Management Production Committees have increased production, improved efficiency and created an atmosphere of mutual respect and confidence.

"This Committee again records its endorsement of the service rendered by the Department of Labour of Canada in encouraging the establishment of Labour-Management Production Committees and urges both management and labour to support wholeheartedly the Department's efforts in this field and to intensify their interest in the development of these committees."

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JUNE FOREIGN TRADE: A summary of foreign trade figures for June released by the Bureau of Statistics shows a rise in the value of Canada's total domestic exports to \$312,500,000 from \$289,200,000 in June, 1950, and an increase in estimated total imports to \$361,400,000 from \$282,500,000.

Domestic exports to the United States rose in value to \$188,400,000 as against \$177,700,-

000, and to the United Kingdom declined to \$51,300,000 compared to \$52,500,000. Estimated imports from the United States amounted to \$243,800,000 as compared to \$188,300,000, and from the United Kingdom to \$39,900,000 as against \$37,100,000.

The June import figures are only preliminary and therefore subject to revision; final and detailed figures of imports will not be available for about three weeks. Those for exports will be issued in a few days.

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A YEAR ON KOREAN AIRLIFT: Since the big four-engine North Stars of 426 took off from McChord Air Force Base, near Tacoma, Washington, on their first airlift flights July 27, 1950, the squadron has rolled up 2,759,000 miles of flying. Nearly 250 trips have been made, carrying more than 6,600 personnel and almost 2,700,000 pounds of freight and mail, the Department of National Defence announced.

First flights were made over the northern route, via Elmendorf Field in Alaska and bleak, fog-shrouded Shemya in the Aleutians. One-way distance of this initial route flown by the Thunderbirds was just under 10,000 miles.

Since then, according to circumstances and weather conditions, the Thunderbirds have used varied routes, Adak, also in the Aleutians, has been used as a stopping point over the northern route, and the 426 North Stars have flown the mid-Pacific route, via San Francisco and Hawaii, with stops at one of several tiny island points between Hawaii and Japan, including Johnston, Wake and Iwo Jima. As 426 completes a year's airlift operations, it is flying the northern route on both west and east crossings.

When the Thunderbirds moved to McChord they took with them their own administrative staff and groundcrew, and handled all maintenance and servicing jobs on their aircraft. Because of differences between the North Stars and comparable aircraft operated by the Americans, servicing detachments of Thunderbird ground crew were established at points along the way, to re-fuel and service the aircraft as they landed on their way to or from Japan.

* * * *

"WELL DONE," FOR "NOOTKA": HMCS Nootka (Commander A.B. Fraser-Harris, Halifax), homeward bound after six months' service with the United Nations fleet in Korean waters, has received a message of "well done" from Vice-Admiral C.T. Joy, USN, Commander Naval Forces Far East.

To the Nootka, as she set sail from a Japanese port for Canada, went the following message from Admiral Joy:

"The Nootka has earned a most creditable record during her tour in the Far East. She has performed her share of the U.N. effort in a manner which will cause her to be missed on the line. Well done. May you have good luck and smooth sailing."



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WEEK'S EVENTS IN REVIEW

DEFENCE EFFORTS: During the last three years Canada has tripled the numbers engaged full time in her defence activities, the Minister of National Defence, Mr. Claxton, said in a review of defence efforts, broadcast over the Trans-Canada Network of the C.B.C. on July 17.

Summarizing military contribution to the Korean war, the Minister said that Canada's flotilla of three destroyers - Sioux, Cayuga and Athabaskan - had steamed in Korean waters 49,000, 52,000 and 56,000 miles respectively - "more than twice as much as these destroyers did during a similar period during the Second World War."

He noted the citation given by the President of the United States to the Princess Patricia's and two other units in Korea - the first Presidential Citation ever to be given to a Canadian unit - and expressed satisfaction that French-speaking Canadians were represented in the Korean forces in proportion to their numbers in the whole population.

The Air Force had done "a wonderful and hazardous job with 220 round trips to the Far East, each 13,000 miles long, carrying passengers and freight and mail and wounded," and had evoked the commendation of American commanders.

Mr. Claxton proceeded, in part:

"The object of this Korean campaign is to show that aggression will be resisted and therefore will provide no easy way of conquering nations one by one. The sacrifice of lives in the United Nations forces in Korea and the great concerted effort begun a year ago may well be the means of preventing a third world war.

"A further result of the Korean war has been to drive home to the Western world its relative lack of preparedness. In this respect, too, we have moved to repair our deficiencies: Together with our North Atlantic Treaty partners, we in Canada have accelerated our preparations to defend ourselves and in so doing the North Atlantic Nations have increased the fund of force on which the peace-loving nations can rely to combat any future assault on their peace and security. The burden of maintaining our armed strength is heavy and will continue to be heavy for some years to come.

"Success in Korea, far from diminishing the need for strength, has shown that we must never again disarm in the face of a potential aggressor, who remains fully armed. That is why we must continue this combined effort to deter aggression by building up and keeping up our strength.

CROP PROSPECTS GOOD: Apart from southern Manitoba, generally good to excellent crop conditions still prevail in the Prairie Provinces. No rain of any account was received in Manitoba during the past week but very cool weather checked crop deterioration to some extent. Southern sections need rain badly, with summerfallow withstanding drought fairly well but other land, especially that which was late-seeded, shows a poor outlook. Prospects are promising in the northern half of the Province, the Bureau of Statistics reported under date of July 17.

Crop prospects in Saskatchewan are generally good except in the west-central area, where only fair conditions prevail. Rain is needed to maintain satisfactory crop growth in all districts except in the east-central and north-east portions of the Province, where recent heavy rainfall has been received.

Apart from the lateness of the season, crop prospects are generally excellent in Alberta. Moisture supplies are ample except in the east-central section, where rain would be welcome. Crops are quite well advanced across southern Alberta but are as much as two to three weeks late in central and northern regions.

Frequent rains in Ontario have maintained the favourable outlook for spring grains but have seriously hampered the harvesting of a heavy hay crop. Some spoilage of hay, both in bales and in the swath, is occurring and the delay in cutting has also resulted in the standing crop losing considerable quality.

Weather conditions in Quebec during the last two weeks have favoured the development of most crops.

In the Peace River Block of British Columbia rains have improved crops considerably, although some fields suffered from earlier cool weather.

* * * *

EMIGRATION FROM CANADA: Emigration from Canada, as indicated by the number of applications received by the Foreign Exchange Control Board for change of status from resident to non-resident, declined about 15 per cent in the 12 months ending June last year as compared with the preceding year, but showed a slight rise in the last six months of 1950.

According to the first of a series of publications on emigration to be issued by the Bureau of Statistics, the number of applications received by the Board in the 12 months from July, 1949, to June, 1950, was 23,764 as compared with 28,068 during the previous 12 months, and in the last six months of 1950 was 13,804 as against 12,648 in the last half of 1949.

In the 12 months ending June, 1950, male emigrants numbered 11,491 and females 12,273 as compared with respective totals of 13,739 and 14,329 the year before.

By far the largest proportion of these emigrants went to the United States -- 17,884 or 75 per cent of the total in the year ended June, 1950, and 21,552 or 77 per cent in that ended June, 1949. Emigrants to the United Kingdom numbered 3,691 (16 per cent of the total), and 4,077 (15 per cent), respectively, in the two periods. Emigrants to other British countries numbered 878 compared with 838.

Approximately 70 per cent of the emigrants were in the 20-64 year age group in each yearly period, as compared with 55 per cent in the population as a whole. Ages 0-19 accounted for 23 per cent and ages 65 and over for five per cent of the yearly totals. Emigrants to the United Kingdom included a larger proportion of older persons than those destined to the United States.

Manufacturing occupations ranked first among those reported by males and professional service second, these two groups accounting for nearly 40 per cent of all gainfully occupied male applicants. Over 10 per cent of all gainfully occupied female applicants were graduate nurses.

Although the figures on emigration in this report do not cover all emigrants, it is known by comparisons with the immigration statistics of certain other countries, notably the United States and the United Kingdom, that they cover the bulk of those emigrating permanently to these countries each year.

* * * *

RADAR SETS FOR NATO NATIONS: Canada will manufacture 300 radar sets and deliver them to six countries of the North Atlantic Treaty Organization within the next eighteen months, the Minister of National Defence, Mr. Claxton, announced on July 20.

The offer was made by Canada as a part of her mutual aid contribution of 300 million dollars in defence armament, equipment and supplies for NATO countries.

Those accepting the offer of radar sets are United Kingdom, Belgium, Netherlands, Norway, Denmark and Italy.

Sets to be manufactured are of a Second World War pattern used as an early warning against aircraft and air missiles. The number of sets each of the six countries will receive was not disclosed.

Mr. Claxton said that manufacture of the radar equipment is already under way but that first completed sets are not expected to be available until January, 1952. Delivery of the 300 sets should be completed by the end of 1952.

Under the NATO mutual aid programme Canada has already provided arms and equipment to the Netherlands, Belgium and Luxembourg. Further shipments will be made in the near future to the Italian Army.

(Continued from p. 1)

DEFENCE EFFORTS

"The end of aggression in Korea, if and when it takes place, must not lead us, through a false sense of security, to relax our efforts.

"The fact that acutal fighting may end in Korea, w&come though that would be to every one of us, should increase our resolve to be strong enough to prevent another Korea somewhere else.

"We must never forget that the focal centre of global defence lies not in Asia, important though that continent is, but in Western Europe.

"That is why Canada, like the other North Atlantic Treaty nations, is helping to build up the Integrated Force in Western Europe under General Eisenhower.

"For the Integrated Force Canada has agreed to supply an air division of 11 squadrons for Western Europe. The first of these squadrons is at the present time undergoing advanced training in England. We expect to send two other squadrons over to Europe later this year or early next year....

ARMY BRIGADE GROUP

"We have also undertaken to provide an army brigade group. For this purpose the 27th Canadian Infantry Brigade has been raised with the loyal and energetic help of many famous reserve army units. Recruiting for this brigade has been going on for some ten weeks, and over 9,000 officers and men have been enlisted. When it goes to Europe, it is planned that single men will serve a term of two years overseas and married men a term of one year.

"To meet our commitments to the United Nations and the North Atlantic alliance, and to provide for our own territorial and continental defence, there has been a rapid expansion of the armed forces in the past year and it is still going on.

"Today we have in the Canadian Navy 12,000 men, in the Army 44,000 and in the Air Force 25,000, making a total of over 80,000. In addition, there are 36,000 engaged in direct defence duties, mostly employed at dockyards and in shops, etc. Altogether, we have about 116,000 full-time personnel engaged on defence.

"During the last twelve months we have added to the full time strength of the Navy, Army and Air Force, and the civilians working with them, no less than 45,000. That takes no account of the thousands of Canadians engaged in construction, production and they many supply activities for our armed forces.

"Despite full employment, recruiting has been proceeding at a rate to meet all requirements. We want to keep that up so as to achieve the build-up of our targets even in advance of the dates we have planned and announced.

"During the last three years we have tripled the numbers engaged full time in our defence activities. We are pressing on with the production of the latest equipment.

"We are doing all this for peace, not war.

"What has happened in Korea, the result of the work together of the peace-loving nations, the fact that we have shown that we can act together, gives encouragement to our work together everywhere.

"Every part of Canada, I am glad to say, is showing strong support for this policy of collective action for peace.

"We must keep it up, support our armed forces, that is a primary objective of national policy...."

* * * *

INSTRUCTION IN UN PRINCIPLES: The principles of the United Nations as opposed to Communism and its objectives are to be explained to men of the 27th Canadian Infantry Brigade Group during periods of training to be known to all ranks as the "troop and platoon commander's hour". This Brigade Group is destined for service in Europe under Canada's contribution to NATO.

Object is to keep the Canadian soldier fully informed on matters of current interest and educated in his responsibilities as a Canadian citizen and representative of his country. Troop and platoon commanders have been instructed to carry out the new type training "in an interesting and constructive manner".

Topics to be covered include the principles of the United Nations; the meaning of Communism and its objectives; the meaning and scope of the North Atlantic Treaty Organization, and the purpose of the integrated force in Europe. During the lectures, soldiers will have explained to them the United Nations' record and prospects; the meaning of Marxism, Leninism and Stalinism; the North Atlantic Treaty and the strategic importance of Western Europe.

* * * *

NATIONAL STATISTICS

Canadian labour income reached a new monthly peak in April, exceeding by 1.5 per cent the previous high in March, and was 17.4 per cent above April last year. Total for the month was \$769,000,000 as compared with \$758,000,000 in March, and \$655,000,000 in April, 1950. In the first four months of this year, labour income amounted to \$3,009,000,000, a rise of 16.4 per cent over last year's corresponding figure of \$2,585,000,000****Carloadings on Canadian railways during the week ended July 14 totalled 82,896 cars as compared with 78,115 in the same week last year****The Bureau of Statistics composite price index of commodities and services used by farmers, including farm living costs, rose from 203.7 for January this year to 218.3 for April, or by 7.2 per cent, and was 10 per cent above last year's index.

CANADA-U. S. ARCTIC OPERATIONS: RCAF aircraft will assist United States Navy and Coast Guard vessels in their annual task of landing supplies at weather stations in the Canadian Arctic and in Greenland during July and August, it was announced July 20 in Ottawa and Washington.

Taking advantage of the brief marine navigation period in the Arctic Island area, the American vessels will land supplies direct to the weather stations if ice conditions permit. If not, the supplies will be landed at Resolute Bay, on Cornwallis Island, and at Thule, in Greenland, to be flown in to the other weather stations at a later date.

Weather stations involved are the joint Canadian-U.S. stations at Eureka and Alert, both on Ellesmere Island; Mould Bay, on Prince Patrick Island; Isachsen, on Isachsen Island; and Resolute, and the joint Danish-U.S. weather station at Thule.

Six U.S. Navy and Coast Guard vessels forming a task force under command of Captain Walter C. Ford, U.S. Navy, will carry out the operation, known as Nanook 51.

The RCAF aircraft will carry out long-range ice reconnaissance from an Arctic base and will pass information on to the American ships. If feasible the Canadian aircraft will also carry out special reconnaissance flights in the area to check on ice conditions.

* * * *

CANADA-U. K. WHEAT AGREEMENT: The Minister of Trade and Commerce, Mr. Howe, announced July 24 that the United Kingdom would purchase 95 million bushels of wheat from Canada under the terms of the International Wheat Agreement for registration in 1951-52. In addition, the United Kingdom will purchase from Canada 350,000 tons of flour, which is equivalent to 18 million bushels of wheat.

Following a meeting in London, England, of the International Wheat Council, discussions took place between the United Kingdom Ministry of Food and the Canadian Wheat Board in regard to the quantities of wheat and flour which the United Kingdom would purchase from Canada during the crop year commencing August 1, 1951. These discussions have resulted in the signing of a memorandum of agreement for the sale and purchase of wheat and flour, as well as covering a number of technical matters pertaining to the wheat trade of the two countries, including general shipping arrangements for the crop year 1951-52.

Mr. Howe also announced that the United Kingdom had expressed an interest in purchasing further quantities of wheat from Canada on a Class II basis, if additional quantities of wheat were available for shipment from Canada. It has been agreed that the two countries will, on September 30, 1951, consider a further purchase and sale of 250,000 long tons (9.3 million bushels) of wheat on a Class II basis.

3 MONTHS' CONSTRUCTION \$486,000,000: Although new dwelling starts declined slightly, an increase of nine per cent in the number of units completed in the first five months of 1951 indicates a higher volume of house building than during the corresponding period of 1950, according to the latest issue of "Housing in Canada".

The report, a quarterly publication of Central Mortgage and Housing Corporation, shows that 32,100 new dwellings were completed from January 1 to May 31 this year, as compared with 29,400 units in the comparable period of 1950. Starts were down by four per cent, from 30,100 to 29,000 for the five month period. Therefore, starts and completions for the first five months of 1951 involved 61,100 housing units as compared to 59,500 units for the same period of 1950.

"The relatively high level of house building activity reflects continued strong demand, generally favourable weather and a large number of dwellings under construction at year-end 1950," states the report.

While starts remained high until the end of last April, indications of a downward trend became apparent in May when starts numbered 11,700, a decline of 14 per cent from May, 1950.

NEW CONSTRUCTION

The value of new construction work of all kinds put in place increased by 26 per cent, from \$386,000,000 in the first quarter of 1950 to \$486,000,000 in the first quarter of 1951. Residential and non-residential construction increased at about the same rate. Largely, the rise reflects cost increases in the intervening period, as the volume of new construction rose by approximately seven per cent.

Generally building material supplies were adequate during the first quarter of this year. The composite index of production of construction materials, other than lumber, increased 22 per cent over the same period last year. At the same time, states "Housing in Canada", the index of domestic disappearance, or use of construction materials, averaged 31 per cent above the level that prevailed during the first quarter of 1950. The number of people employed in the construction industry increased by 15 per cent from 263,000 in the first week of March, 1950, to 302,000 in the first week of March, 1951.

The cost of house building rose sharply from April, 1950, to April of this year. Not since the 12-month period beginning September, 1947, have costs risen as rapidly as in the past year. The combined index of wholesale prices of residential building materials and hourly wage rates of construction workers increased by 18 per cent from 210 in April, 1950, to 248 in April this year.



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WEEK'S EVENTS IN REVIEW

COLOMBO PLAN TECHNICIANS ARRIVE: The Department of External Affairs announced on July 13 that the first technicians coming to Canada under the Technical Co-operation Programme of the Colombo Plan for Economic Development in South and South-East Asia left Karachi on Friday, July 13, by air, and were due in Ottawa July 16.

The three technicians who arrived on July 16 are the members from Pakistan of an agricultural mission nominated by the Governments of Pakistan and India. They are Dr. K.A. Rehman, Director of Agriculture, Punjab; Mr. A.M. Sial, of the Ministry of Agriculture and Education of the State of Khaipur; and Dr. S. Hidayatullah, Director of Agriculture, East Bengal.

They will familiarize themselves with Canadian agricultural facilities and farming methods. They will study the training obtainable in this country, the availability of technicians to assist in training agricultural students in Pakistan, and the farming equipment designed and manufactured in Canada.

The Indian members of this agricultural mission are expected to arrive in Ottawa about the end of this month. They are Mr. M. Kanti

Raj, Deputy Director of Agriculture for Madras, and Dr. J.K. Dubey, Director of Agriculture for Bhopal.

Two other missions, one concerned with road construction and bridge erection, the other with hydro-electric development, will arrive in Canada later in the summer. They will include specialists and senior government officials from India, Pakistan and Ceylon.

Also due here about the end of July are the first seven nominees to take advantage of the Canadian Government's offer of instruction in Canada under the scholarship and fellowship programme for students and government officials from South and South-East Asia.

They constitute the advance party of some sixty scholars and fellows coming to Canada during the next two months to study such subjects as railway operation, various branches of medical science, the national insurance programme, farm and soil mechanics, marketing methods, geology, factory management, hydro-electric development, land settlement and town planning.

Instruction will be received in government departments, universities and industry.

CROP PROSPECTS PROMISING: With some exceptions, crop prospects in the Prairie Provinces are very promising. Rain is now urgently needed in southern sections of Manitoba and is required to replenish surface moisture supplies in central and western Saskatchewan and in east-central and north-eastern Alberta. Cool, wet weather has minimized grasshopper damage in most forecast areas. Warmer weather is needed in most of Saskatchewan and Alberta to advance crop growth which is considerably later than normal, according to the Bureau of Statistics' crop report of July 10.

The crop outlook continued to be generally favourable in Manitoba although rain was very urgently needed at most points in the southern half of the province, especially in the eastern portion and southeast of Brandon. Most early seeded fields were headed. Lower yields are now expected from late seedings in drier areas.

Although grain crops in Saskatchewan are somewhat later than normal, warmer weather during the previous week greatly assisted crop development and conditions were generally comparable with last year. Warm weather and further rains, however, were required to maintain current favourable prospects.

Crops are still late in Alberta but conditions remain favourable as of July 10 in most areas. Rains improved prospects in the Peace River District while scattered showers partially relieved the dry conditions which have prevailed in east-central and northeast sections during most of the season.

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COST-OF-LIVING INDEX REVISION: The Bureau of Statistics has made considerable progress towards the revision of the Canadian cost-of-living index. During the past several months an extensive programme of revising the index to conform to post-war expenditure patterns has been under way. In taking this action the Bureau is following internationally recognized practice, which calls for thorough periodic examination of price index numbers. In Canada, this will be the fourth major revision in indexes of consumer prices since they were first published about forty years ago. Retail price series have been published relating to base periods of 1900, 1913, 1926 and the present base of 1935-1939.

Detailed expenditure records, secured in 1948 and 1949 from approximately 3,100 representative families throughout urban Canada, constitute the basis of the current revision. Tabulations of what these families told the Bureau about the kinds and quantities of goods and services they purchased are now nearly complete, and a list of items to be included in the new index is being prepared. The expenditure data being used relates to a twelve-month period when transition to a peace-time

economy was reasonably complete. A survey taken earlier than 1948-1949 would have resulted in expenditures abnormally high for items formerly in short supply, and low for others not moving in normal volume.

Most of the work thus far undertaken has been in connection with analysis of expenditure records, but during the course of revision all phases of index construction will be examined. Problems such as index scope and formula, price sampling, seasonal price variation and shelter costs of homeowners will be investigated, and tests will be made wherever possible with new statistical techniques.

The new series will not be called the "Cost-of-Living Index". Its new title will likely be "Consumer Price Index", to indicate that it measures price change only.

* * * *

NRC'S NEW RADIOLOGY DEVICE: For the first time, the gamma rays emitted by a radioactive element have been used at the Physics Division of the National Research Council of Canada at Ottawa to show, on a fluorescent screen, what goes on inside a solid body.

Until now fluoroscopy--this unusual way of looking at, or rather through, things--was all done with X-rays because they alone could be made to produce the intense radiation needed; now, similar results can be obtained by a very strong gamma-ray source--a tiny piece of the precious metal iridium, made radioactive through neutron bombardment in Canada's atomic energy pile at Chalk River, where they have the highest "neutron flux" in the world.

The advantage of gamma rays over X-rays is that they are more penetrating: they can pass through iron, brass, and even lead, as easily as X-rays pass through skin and flesh.

What's more, the radioactive iridium source is very small and thus, like a point source of light, it produces sharp and easily seen images on the screen. With this new device, physicists of NRC's Radiology Laboratory have been able to see such things as hidden flaws inside of castings, nails through wood, and metal parts in plastic telephone receivers.

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CRUDE PETROLEUM: Canadian production of crude petroleum and natural gasoline was 20 p.c. higher in April, the month's output amounting to 2,448,894 barrels as compared with 2,045,699 in April last year. This brought the cumulative total for the first four months of this year to 10,739,236 barrels, 28 per cent above last year's corresponding figure of 8,359,718 barrels.

Alberta's output in April amounted to 2,332,108 barrels as against 1,916,589 a year earlier, and in the four months totalled 10,180,358 barrels compared with 7,930,574 in 1950.

"HURON" DECIMATES RED WORK GANG: On Board HMCS Huron -- A long night attack on a large enemy repair gang striving to repair damage to a rail link to the fighting front was a highlight of HMCS Huron's activities as senior ship of a United Nations naval task element off the far north east coast of North Korea during the first week in July.

Closing to within less than 2,000 yards of the enemy shoreline, just south of Songjin, the Huron caught the enemy repair gang hard at work on a shattered rail embankment. Of the 300 to 500 workmen surprised by the attack, the Huron's guns claimed an estimated 100 enemy killed.

The Canadian destroyer caught the team and a work train by surprise with her first illumination rockets. The train hurriedly pulled back into the shelter of a nearby tunnel but many of the repair gang were caught as the Huron opened up with all available armament.

"Huron" has returned to a United Nations Naval base in South Japan after the liveliest patrol since her arrival in the war theatre four months ago.

In the course of her duties, she set a new record among Canadian warships for the number of shells fired at the enemy during a patrol. HMCS Nootka had previously established the record while on patrol in the same area.

The Huron's busy guns hung up the record by firing 1,983 rounds of four-inch shells and 8,984 rounds from close range weapons. When these figures were compared with the Nootka's record, it was found that the Huron has established a new record for both four-inch and short range firings. The Nootka had fired 1,623 rounds from her four-inch guns and 312 rounds from her short range weapons.

* * * *

OLD AGE SECURITY PROGRAMME: The administrative machinery for Canada's new programme of old age security for people 70 and over will roll into high gear in the last week of July the Minister of National Health and Welfare, Mr. Martin, announced July 13. Application forms are to be available in post offices at that time.

Those who are already receiving old age pensions will not have to file new applications. Their names will be transferred from the present provincial records to the federal lists, and the pension will be continued without interruption.

Persons over 70 who are now receiving a partial pension because of the means test will have their pension increased to the full \$40 per month when the new programme becomes effective.

Approximately 400,000 persons of 70 and over and not now receiving old age pensions will become eligible under the new pension plan. The application form must be accompanied by proof of age.

LIBRARY LIST: The following is the selected list of Canadian Government publications received in June by the Library of the Department of External Affairs.

Department of Agriculture: Experimental Farms Service 1949-1950. Annual report of the Director. Pp. 87.

Dominion Bureau of Statistics: Census of the Prairie Provinces. Agriculture. Vol. IV. 1946. Pp. 670.

Department of Fisheries: Canadian Fishery Market. Outlook for 1951: Review for 1950. Market Bulletin No. 5, May 1951, Pp. 50.

Fisheries Research Board of Canada: Annual Report of the Fisheries Research Board of Canada 1950. Pp. 138.

Department of Mines and Technical Surveys: Report on the administration of the emergency gold mining assistance act for the fiscal year ended March 31, 1951. Pp. 25.

Public Archives: Report of the Public Archives for the year 1950. Pp. 30.

Department of Public Printing and Stationery: Annual report for the fiscal year ended March 31, 1950. Pp. 29.

Department of Trade and Commerce: Annual report of the Board of Grain Commissioners for Canada for the year 1950. Pp. 76.

Royal Commission: Report of the Royal Commission (Massey) on National Development in the Arts, Letters and Sciences 1949-1951. Pp. 517.

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NEW AUTO SALES DOWN: Sales of new motor vehicles in May were down in number from last year but up in retail value, the decrease in number occurring in passenger cars. Financing of new car sales also declined in the month both in number and financed value, but the financing of used vehicles was higher both in number and amount of financing.

New motor vehicles sold in the month numbered 36,446 units as compared to 40,645 a year ago, a decline of 10 per cent, while the retail value of this year's May sales rose 14 per cent to \$92,573,530 from \$81,113,607 last year.

Cumulative sales for the five months ending May amounted to 208,858 new vehicles valued at \$499,364,312 as compared to 170,051 units retailed for \$341,845,385 in the corresponding period of 1950, an increase of 23 per cent in number and 46 per cent in value.

Passenger car sales in May were down 15 per cent in number to 25,842 units.

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AWARDS FOR NAVY OFFICERS: The award of Mention in Despatches to three officers of the Royal Canadian Navy for their services in the Korean war theatre was announced July 13.

They are: - Captain Jeffrey V. Brock, DSC, RCN of Winnipeg and Vancouver; Commander Robert P. Welland, DSC, RCN, of Victoria; and Commissioned Engineer Edward V. Dear, of Victoria.

NUMERICAL CONDITION OF CROPS: Numerical condition for all major field crops for Canada as a whole at June 30 either exceeded or equalled that of 1950 and, with the single exception of sugar beets, was also above that of 1949, for the same date. Improvement over last year's June 30 condition ratings was particularly noticeable in all major grain crops, hay and clover, alfalfa, and pasture.

The condition of both wheat and rye, at 109 per cent and 93 per cent, respectively, was up sharply from last year's levels of 83 and 74 per cent. Oats at 98 per cent, barley 97 per cent, and mixed grains 102 per cent, were nine, 12 and six points, respectively, above the comparable figures for 1950, while the flaxseed condition figure, at 95 per cent, was 10 points higher than at June 30 last year. The condition of hay and clover and alfalfa, at 106 and 104 per cent, respectively, exceeded last year's levels by more than 20 points and pasture, at 107 per cent of the long-time average, was up by 18 points over 1950.

Condition data for all crops with the exception of spring wheat for the Prairie Provinces are obtained through the medium of reports from hundreds of informed persons who are asked to express their opinion of crop conditions at June 30 as a percentage of the long-time average yield per acre.

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WORLD WHEAT SUPPLIES: Wheat supplies remaining on or about June 1 in the four major wheat exporting countries -- United States, Canada, Australia, and Argentina -- for export and carryover at the end of their respective crop years amounted to 773,000,000 bushels as compared with 743,000,000 a year earlier, according to the June issue of the Wheat Review by the Bureau of Statistics.

Supplies in the United States amounted to 411,000,000 bushels compared with 443,000,000, Canada 240,000,000 bushels compared with 154,000,000, Australia 81,000,000 bushels compared with 100,000,000, and Argentina 41,000,000 bushels against 48,000,000.

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HOURLY EARNINGS INCREASE: Average hourly earnings in manufacturing increased by 11.3 per cent from May 1, 1950, to May 1, 1951, with durable goods showing a rise of 11.0 per cent and non-durable goods, 11.1 per cent. The average hours worked by hourly-rated wage-earners decreased slightly in the same period. Wage earners in mining received 8.4 per cent more in the week ending May 1 this year than they did a year ago, in spite of a fractional drop in their hours.

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FISH STOCKS UP: Overall stocks of fish in Canada on July 1 totalled 37,992,000 pounds compared with 35,712,000 on June 1, and 41,605,000 on July 1 last year.

NATIONAL STATISTICS

Gross selling value of Canada's motor vehicle manufacturing industry reached a new peak of \$675,867,467 in 1950, up 39 per cent over the previous high of \$485,756,877 in 1949, according to preliminary figures issued in a special compilation by the Bureau of Statistics. Last year's value was almost double that of \$340,918,195 three years earlier, and three and a half times the figure of \$193,439,688 for 1946****Visible supplies of Canadian wheat in store or in transit in North America on June 21 rose to 170,906,624 bushels from 168,642,676 a week earlier, and 102,430,820 on the corresponding date last year****Department store sales in Canada -- excluding Newfoundland -- rose four per cent in dollar value in May over a year earlier, totalling \$76,613,000 as against \$73,581,000. The month's gain compares with increases of 11 per cent in April and 13 per cent in the four months ending April over the corresponding periods of 1950. ****Output of 13 of 16 of Canada's leading minerals was at a higher level in April than in the same month last year, while in the first four months of this year 14 items increased. In the month, declines were recorded for gold, lead and nickel, and in the cumulative period coal and gold were lower.

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CANADA-U. S. TRAVEL: There were fewer non-resident entries from the United States by rail, bus and boat in April than in the corresponding month last year, but entries by plane increased. Canadian traffic returning from the United States was heavier by boat and plane, but lower by rail and bus.

Entries from the United States by rail totalled 25,754 as against 31,782, bus 18,342 compared with 19,107, boat 2,879 compared with 4,212, and plane 11,816 compared with 11,051. Canadians returning by rail numbered 38,186 against 44,903, bus 35,314 against 45,718, boat 4,014 against 3,021, and plane 12,570 against 10,786.

* * * *

AUTO SHIPMENTS WELL UP: Total shipments of Canadian-made motor vehicles rose to 42,911 units in May compared to 41,060 in April and 35,281 units in May last year, the month's total being the second highest on record, exceeded only by the figure of 47,779 for March this year.

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FREIGHT RATES INCREASE: The Board of Transport Commissioners, on July 4, awarded the railways an interim freight rate increase of 12 per cent. Increases had been asked by the railways to meet higher wage costs. The Board will make a further examination into the railways' financial needs in the Fall.



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WEEK'S EVENTS IN REVIEW

MR. MALIK'S DECLARATION: The language of Mr. Yakov Malik's cease-fire proposal of June 23 is being "carefully scrutinized" and will be "explored with a sincere desire.... to have it produce some results," the Prime Minister, Mr. St. Laurent, said in the House of Commons on June 25.

The Prime Minister's statement was made after the Leader of the Progressive Conservative Party, Mr. George A. Drew, had asked if he were in a position to make any comments that would enlighten the House as to the attitude of the Government toward Mr. Malik's declaration. He was not pressing for any statement, Mr. Drew said, his question "being prompted only by the fact that comments had been made in London by the Secretary of State for External Affairs."

Mr. St. Laurent: "I understand that some newspaper men in London put certain questions to the Secretary of State for External Affairs to which he replied. I have not had time to consider the replies carefully because I received the clippings just as I came into the House. There is no doubt that the Secretary of State for External Affairs, like all the rest of us, regards that statement as an important development. It is one with which the United Nations will no doubt be dealing expeditiously, and I think it might perhaps be convenient to

put on the record of this House the statement made by the Secretary General, Mr. Trygve Lie."

After reading Mr. Lie's statement Mr. St. Laurent continued:

"I am further informed that Mr. Entezam, President of the General Assembly, and also Chairman of the Good Offices Committee, has come from Washington to New York in order to be in touch with the representatives of the United Nations there and to take such immediate action as may be appropriate and to do so in the hope that this is a statement of a real desire to see a cease-fire and a withdrawal of opposing troops on either side of the 38th parallel brought about at once.

"I think hon. members would be interested to know that among the clippings I got was one referring to a radio broadcast in the capital of communist China reporting this statement of Mr. Malik and an editorial saying that if America were willing to stop the war she should bring in at once those just and reasonable measures for peaceful settlement which have been repeatedly proposed by the People's Republic of China, the Soviet Union, and other countries desiring peace.

"Of course that statement was along the same line; even Mr. Malik's statement was much along the traditional line of having about

(Continued on p. 4)

NATIONAL STATISTICS

Canadian labour income rose to new peak levels in March and the first three months of this year. Total for the month was \$758,000,000, a rise of 16.6 per cent over \$650,000,000 in March a year ago, and the first-quarter total was \$2,240,000,000 against \$1,930,000,000 a year earlier, a gain of 16 per cent****Revenue freight loaded on Canadian railways in February totalled 11,205,530 tons -- a near record for the month -- as against 9,806,650 in February last year, and compares with the peak figure of 11,288,311 tons in February, 1948****New dwelling units completed in April totalled 5,688 as compared with 5,397 in April last year, advances in Ontario and Newfoundland more than compensating for declines in other sections of Canada****Revenues of principal air carriers in 1950 climbed to a record \$46,326,623, an advance of 17.5 per cent over the preceding year's total of \$39,444,218****Visible supplies of Canadian wheat in store or in transit in North America at midnight on June 7 amounted to 170,619,827 bushels as compared with 169,751,039 a week earlier, and 108,228,067 on the corresponding date last year****Average hourly earnings in manufacturing in Canada rose by 10.8 per cent from April 1, 1950, to April 1, 1951, while the hours worked by hourly-rated wage-earners decreased slightly****Foreign vehicles entering Canada on traveller's vehicle permits in May numbered 148,274, an increase of three per cent over last year's corresponding total of 144,640****Canadian coal production during May amounted to 1,350,000 tons, a decrease of 7.5 per cent from the output of 1,460,561 tons in May last year. With declines also in February and March, aggregate output for the five months declined to 7,771,300 tons as compared to 8,251,900 in the corresponding period of 1950****Production of 12 out of 16 of Canada's leading minerals was at a higher level in March than in the same month last year, declines being recorded in the output of coal, gold, lead and silver, while in the first three months of this year coal was the only mineral to decrease.

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NEW NAVY UNIFORMS: Seamen of the Royal Canadian Navy will be issued shortly with new type uniforms, featuring improved quality and comfort, Naval Headquarters has announced. Distribution of white uniforms will commence about July 1 and will be followed later by the issue of blue uniforms.

The new dress is the result of lengthy research with the aim of producing a garment which would be more serviceable and comfortable without sacrificing the distinctive appearance of the sailor's traditional uniform.

SHORTER WORK-WEEK: The normal work week for both plant and office employees in the Canadian manufacturing industries continued its downward trend in 1950, according to the last annual survey of the Economics and Research Branch of the Department of Labour.

The normal work week of plant employees averaged 44½ hours at October 1, 1950, a decrease of one-third of an hour in the average work week during the preceding year. The plant workers producing durable manufactured goods averaged just under 44 hours a week, whereas those producing non-durable manufactured goods averaged slightly over 44½ hours.

The normal work week of office employees in manufacturing averaged 38½ hours, a reduction of one-quarter of an hour in the average work week during the year ending October 1, 1950.

Almost 65 per cent of the plant workers and 70 per cent of the office workers were on a 5-day week in 1950.

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RECORD RAIL REVENUES: Operating revenues and expenses of Canadian railways were at all-time record levels in March and the operating income for the month was the best since March, 1945, according to figures released by the Bureau of Statistics. Operating revenues totalled \$88,091,000 as compared with \$78,092,000 a year earlier, and operating expenses were \$78,953,000 as against \$70,556,000, for respective gains of 13 per cent and 12 per cent. Operating income for the month was \$6,363,000 as against \$5,299,000.

Freight receipts advanced from \$64,714,000 to \$72,318,000, an increase of 12 per cent over the preceding March. Passenger fares were \$6,844,000, up 25.8 per cent over the \$5,443,000 reported for the same period last year.

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RETAIL TRADE INCREASE: Value of Canada's retail trade in April was estimated at \$817,430,000 as compared with \$719,214,300 in the corresponding month last year. The gain in the month, though more moderate than in any of the first three months of this year, brought sales for the January-April period to \$2,979,000,000 from \$2,525,000,000 in the same months last year.

Fourteen of the 20 trades recorded increased sales volume in April as compared with a year earlier, but only four had gains in excess of 20 per cent. For the second successive month, motor vehicle dealers' sales reached a new all-time high, totalling \$167,000,000, a marked rise of 43 per cent over April, 1950. Appliance and radio dealers also reported a large sales increase of 38 per cent. Lumber and building material dealers and hardware store sales were up 22 per cent and 21 per cent, respectively. Country general store sales rose by 14 per cent, garages and filling stations 12 per cent, department stores 11 per cent, and furniture stores 10 per cent.

THE WEEK IN PARLIAMENT

OLD AGE SECURITY PROGRAMME: Bills providing for payment of pensions of \$40 per month to needy Canadians at the age of 65 and increasing as well as extending pensions for the blind, were approved by the House of Commons on June 23.

It has also been announced that at the fall session of Parliament legislation is to be presented to provide for federal pensions of \$40 per month for all persons at the age of 70, without means test, payments to begin in January, 1952.

The following is the partial text of the statement made on second reading by the Minister of National Health and Welfare, Mr. Martin, in connection with the Old Age Assistance Act, providing for pensions at age 65, costs to be shared equally by the Provinces and the federal Government:

"The bill now under consideration is part of Canada's new programme for old age security, climaxing a quarter-century of progress in this field.

GOVERNMENT'S TWO-FOLD PLAN

"The Government's two fold plan for old age assistance and universal pensions represents the greatest single advance made in this country in our provisions for senior Canadians. It is a national vote of confidence in Canada's capacity to provide for the security of its older citizens.

"Legislation will be introduced in Parliament in the fall session as the Prime Minister, Mr. St. Laurent, has indicated, to provide universal pensions at 70 years. This present Old Age Assistance bill makes provision for those in the 65-69 age group who are in need of aid, as well as for those 70 years and over who cannot qualify for the universal pension. In a separate measure, also to be considered this session, allowances for the blind will be continued with certain relaxations in the ceilings on income.

"The full implications of this programme may not yet be fully realized. Let me remind the House of its broad outlines when it is fully in effect:

"Old age assistance will be provided for an estimated one-third of those in the 65-69 age group or about 145,000 persons.

"Universal pensions of \$40 a month will be paid to 715,000 Canadians of 70 and over, including 305,000 who are now receiving old age pensions."

Partial text of the statement of the Minister on second reading of the Blind Persons Act, is as follows:

"Apart from the large number of those now receiving pensions who will benefit from the more generous provisions of this measure, an additional 2,000 to 3,000 blind persons will for the first time receive benefits, either

under this measure or under the old age security act. It is noteworthy that for the first time under this bill blind people of our country will have separate legislation of their own quite independent of that respecting our aged citizens. I think this bill will be welcomed by all who have urged the enactment of separate legislation for the blind and a different name for the benefits payable to them. On both counts the Government has accepted the recommendations of the six-point programme put forward in 1947 by the Canadian Council of the Blind, the Canadian National Institute for the Blind and other individuals and organizations working in this field.

"Examination of their programme shows that the Government in this measure or otherwise is implementing, either wholly or in part, each of the recommendations made, as follows:

SEPARATE LEGISLATION

"1. Separate legislation is provided for the blind under the title recommended, 'the Blind Persons Act.'

"2. The term 'pension for blind persons' has been abolished in favour of 'blindness allowance.'

"3. The amount of the blindness allowance is in accordance with that recommended in the six-point programme of 1947.

"4. The residence qualification is drastically reduced.

"5. The income ceilings have been greatly liberalized.

"6. While not provided for in this bill, a good deal of progress has been made in recent years in making medical treatment available for the blind.

"Under the bill presently before us we are now taking an important additional step in the further liberalization of the text of eligibility for the blindness allowance by raising the income ceilings by an additional \$120 a year.

"Income ceilings in this Blind Persons Act, as compared with those in effect prior to 1947, will be higher by the following amounts:

"For a single person, raised from \$500 to \$840; for a single person with dependents, raised; from \$700 to \$1,040; for a married couple, one of whom is blind raised from \$925 to \$1,320; for a blind couple, raised from \$1,000 to \$1,440."

COUNCIL OF EUROPE: The Speaker of the House of Commons, Mr. W. Ross Macdonald, announced at the opening of the June 25 sitting of the House that he has received a communication from Mr. P.H. Spaak, President of the Consultative Assembly of the Council of Europe, inviting Parliament to send observers to the session of the Council, commencing September 24.

(Continued from p. 1)

MR. MALIK'S DECLARATION

fourteen minutes of violent vituperation and then a half a minute in which to make the statement that he thought the problem of armed conflict in Korea could be settled at this time. That is the usual manner in which such proposals are put forward by the U.S.S.R., but we have had former experience of their violent vituperation having been followed by something which was really serious and intended to be effective. I hope this may prove to be another such example.

Mr. Drew: "In view of the statement made by the Prime Minister, may I join in the hope which he has expressed, and I am sure every Canadian will join with me. In view of the important part that Canada is bound to play in any discussion which takes place, and the desirability of achieving such a measure of unanimity as may be possible in this House, no matter what our views may be on other subjects, I urge the Prime Minister to keep us fully informed as to the developments, subject of course to such terms of secrecy as necessarily are associated with extremely important considerations of this kind.

"As the Prime Minister has pointed out, the statement by Mr. Malik was hardly designed to make an impression of sweet reasonableness; nevertheless on this anniversary of the attack in Korea, I think we should bear in mind that the Russians have backed down on other occasions--as they did in Greece; as they did in Azerbaijan; as they did also in connection with the airlift to Berlin. Certainly I think all of us will hope that this is not merely a part of a sham peace campaign, but a genuine offer to terminate hostilities, which can certainly benefit no one, and which, if terminated, may be the beginning of a period during which, by the combined strength of the free nations, we may attain the measure of security for which we are all hoping."

Mr. St. Laurent: "I may add that this morning the Secretary of State for External Affairs is conferring with Mr. Herbert Morrison, the United Kingdom Foreign Minister, and that our Ambassador in Washington was in touch yesterday and is in touch today with the Secretary of State there. The language of this declaration is being carefully scrutinized, and there is no indication anywhere that it will be brushed off. It will be explored with a sincere desire, at least on our side, to have it produce some results."

Mr. Angus MacInnis (Vancouver East): "Mr. Speaker, I should like to associate the members of this group (C.C.F.) with the remarks of the Prime Minister and the Leader of the Opposition. The statement made on Saturday by Mr. Malik is one of exceeding importance, and whether or not its purpose is propaganda, the United Nations should now have sufficient experience, if that is the intention, to turn it back on the Soviet Union. But perhaps its pur-

pose is not propaganda. We should and do welcome the statement made by the Secretary General of the United Nations. It must be the earnest hope of everyone that a cease-fire order may be possible. Once a cease-fire order is made, it is doubtful that the fighting would begin again."

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ANNUAL ARCTIC PATROL: Twenty-two far northern settlements will be visited and nearly 1,500 tons of supplies will be distributed during Canada's twenty-ninth annual Eastern Arctic Patrol which began when the Department of Transport vessel, "C.D. Howe", sailed from Montreal on June 27, the Minister of Resources and Development, Mr. Winters, announced on June 26.

Work of the Patrol this season will include hydrographic survey, aerial photography, postal service, and study of game conservation which is of supreme importance to the Eskimo people.

J. Cantley and Alex Stevenson, both of the Arctic Services of the Department of Resources and Development, will be officers-in-charge of the expedition during the 10,000 mile journey which may last as long as four months. Resources and Development personnel will study conditions in the Eastern Arctic with a view to furthering the aims of the Administration which are to ensure a sound Eskimo economy.

With the Patrol vessel's surgery, sick bay, dental and x-ray apparatus, officers of the Department of National Health and Welfare will carry on the Government's health plan, attending as many Eskimos and white residents as possible at all ports of call. In conjunction with the Canadian National Institute for the Blind, an eye survey will be made of all the Eskimos the Patrol can reach.

An important assignment for the 1951 Patrol is the reopening of the Royal Canadian Mounted Police post at Craig Harbour, on the south coast of Ellesmere Island, some 2,200 air-miles from Vancouver, Toronto, or Halifax. Two Eskimo families and two R.C.M.P. constables will land at Craig Harbour with a year and a half's supplies. This post is planned for more effective administration of the far northern islands.

A judicial party will investigate a fatal shooting at Resolution Island, N.W.T.

J.A. Houston, Canadian Handicraft Guild representative, and his wife, who are working among the Eskimos on a grant from the Department of Resources and Development, will join the Patrol at Cape Dorset. They are collecting valuable Eskimo sculptures and other items of handicraft.

The Dominion Observatory is sending along a survey party to determine the strength and direction of the earth's magnetic field at each port of call. These data will be used to revise magnetic maps and to provide more precise charts of northern waters.

SECURITY TRANSACTIONS: Security transactions between Canada and other countries during April were below the levels of previous months this year but continued well above the volume of a year earlier, aggregating \$81,100,000 as compared with \$102,900,000 in March and \$42,900,000 in April, 1950.

Sales to all countries amounted to \$41,900,000 as against \$55,900,000 in March and \$21,000,000 a year earlier, while purchases totalled \$39,200,000 compared to \$47,000,000 and \$21,900,000, respectively. Sales for the first four months this year aggregated \$231,300,000 as compared to \$88,800,000 in the corresponding months of 1950, and purchases totalled \$188,600,000 compared to \$84,300,000.

April's net sales balance of \$2,700,000 was less than a quarter of the average for the first three months of the year, and was largely due to trade with other countries than the United States and the United Kingdom, transactions with which were almost in balance.

Sales to the United States amounted to \$37,700,000 in the month as compared to \$51,400,000 in March and \$20,100,000 a year ago, and purchases from the United States totalled \$36,800,000 as against \$44,700,000 and \$19,400,000, respectively. April transactions with the United States produced a net movement of Canadian securities to Canada and of United States securities to the United States, the volume of trade in stocks being heavier in each case than that in bonds and debentures.

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SUMMARY OF STRIKES: Although time loss through work stoppages arising from industrial disputes in Canada during May, 1951, was higher than in the preceding month, the total time loss for the first five months of 1951 was still considerably lower than for the corresponding period in 1950, according to a monthly summary of strikes and lockouts issued today by the Minister of Labour, Mr. Gregg.

Preliminary figures showed 39 strikes and lockouts in existence during May, 1951, involving 6,560 workers with a time loss of 34,902 man-working days, as compared with 19 work stoppages in April, 1951, with 2,647 workers involved and a time loss of 9,673 days. In May, 1950, there were 28 strikes and lockouts involving 4,491 workers with a time loss of 24,471 days.

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WOMEN FOR RESERVE FORCE: The Canadian Army will begin recruiting women for certain units of the Reserve Force, the Minister of National Defence, Mr. Claxton, announced on June 22.

Initially, about 1,500 officers and other ranks will be recruited to perform some of the duties in Reserve Force Manning Depot units. Recruiting of Canadian Women's Army Corps personnel for Reserve Force anti-aircraft regiments and affiliated signals units will begin in the fall.

NATIONAL REGISTRATION: The National Advisory Council on Manpower, meeting for the second time in Ottawa last month, concluded that national registration is not necessary at the present time but that the Government should be ready to introduce it with the least possible delay, if the need should arise, it is reported in the June issue of the "Industrial Health Bulletin."

The Council learned from the reports supplied to it by the Department of Labour in cooperation with other government departments that much of the information that a national registration could supply is now regularly available to the Government. There are many more sources of labour information now than there were at the time of the 1940 registration.

Also, at that time, there had not been a census for nine years and many of the basic population figures could only be estimated. The 1951 census is now under way and the census authorities are giving top priority to the statistics most useful in planning to meet the country's manpower needs.

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TEACHERS' SALARIES: Annual average salary rates for teachers in the publicly-controlled schools of eight provinces -- Quebec and Newfoundland excepted -- rose \$166 between 1948 and 1949, bringing the cumulative increase in the period since 1939 to \$1,001, according to the annual report on teachers' salaries and qualifications by the Bureau of Statistics.

Salary rates for all publicly-controlled schools averaged \$1,855 as compared with \$1,689 in 1948, and \$854 in 1939. Teachers in city schools had the highest average of \$2,495 as compared with \$2,324 in 1948, and \$1,613 in 1939, while teachers in one-room rural schools had the lowest average of \$1,497 as against \$1,383 in 1948, and \$607 in 1939.

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450,000 IMMIGRANTS: Since the end of the war, roughly 450,000 immigrants have landed in Canada. Half of that number came from English and French speaking countries. About 10% of all immigrants are listed as skilled workers and it is reasonable to assume that these and more will be gradually absorbed into our rapidly expanding industries, it is reported in the June issue of the "Industrial Health Bulletin," in an article asking Canadians to co-operate with the newcomers and understand their difficulties.

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U.S. ARMY BAND HONOURS CANADIAN: First Canadian soldier to be made an honorary member of the famed U.S. Army Band in Washington, is Major Rufe M. Curry of Mount Royal, Que. and Windsor, N.S., the Canadian Army's Deputy Assistant Adjutant and Quartermaster General in the U.S. capital.

RCAF - USAF EXERCISE: Units of the RCAF's Air Defence Command joined in a three-day USAF air defence exercise, June 22, 23 and 24.

The exercise included units of the U.S. Air Defence Command, Tactical Air Command, U.S. Army and Navy, and Air Force Reserve and Air National Guard. At least 210,000 U.S. civilian volunteers of the Ground Observer Corps joined the exercise on Saturday and Sunday, June 23 and 24, and received night training for the first time since September, 1949.

Eastern Air Defence Force directed activities in the northeastern and Great Lakes States from its headquarters at Stewart Air Force Base, Newburgh, New York. Central Air Defence Force, from headquarters at Kansas City, Mo., were charged with operations in Minnesota and Wisconsin, and Western Air Defence Force at Hamilton Air Force Base, San Rafael, California, directed the exercise in California, Oregon, and Washington.

The newly activated RCAF Air Defence Command, with headquarters at St. Hubert, Quebec, near Montreal, was responsible for the Canadian participation in the exercise. Fighters and radar units of the RCAF and bombers, fighters and radar units of the USAF were employed.

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FELLOWSHIP IN FIELD OF FOLK MUSIC: The Department of External Affairs has announced that a Fellowship for advanced study abroad in the field of folk music has been made available to Canada by the United Nations Educational, Scientific and Cultural Organization (UNESCO). This Fellowship is to be awarded in 1951 for a six-month period of study. Applications will be received up to July 26 by the Secretary, The Canada Foundation, 56 Sparks Street, Ottawa.

Candidates should be musicologists specializing in musical ethnography or in folklore. Preference will be given to persons working in an institution which possesses archives of sound recordings of ethnographic or folklore music, or intends to build up a collection of this kind.

The winner will be expected to visit a country or countries of special interest to him. He should be equipped to make sound recordings of indigenous music, folk songs and musical instruments.

Final selection of the Canadian Fellowship winner will be made in Paris by UNESCO. A preliminary selection of three suitable candidates will be made in Canada by Dr. Marius Barbeau, formerly Dominion Ethnologist and one of the world's foremost authorities on folklore.

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ADJOURNMENT UNTIL OCT. 9: On completion of its current business, the House of Commons will stand adjourned until October 9, unless events necessitate an earlier re-assembly.

3 "PATS" DECORATED: Three immediate awards for bravery and devotion to duty -- the first to be earned by Canadian soldiers fighting in Korea -- were announced June 27 by the Minister of National Defence, Mr. Claxton. All three recipients are members of the 2nd Battalion, Princess Patricia's Canadian Light Infantry.

The Military Cross goes to Capt. John Graham Wallace Mills, 31, of 1408 James Wood Place, Winnipeg, Man.

Military Medals are awarded to L/Cpl. Smiley Douglas, 23, of R.R. 1, Delburne, Alta., and Pte. Leonard Barton, 21, formerly of Paddington, England, who came to Canada last summer and promptly enlisted in the Canadian Army following the outbreak of the Korean conflict.

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FIGHTER SQUADRONS FOR NATO: Considerable progress has been made in finalizing RCAF plans for despatch overseas of additional fighter squadrons for the 11-squadron RCAF air division offered to NATO, the Minister of National Defence, Mr. Claxton, announced June 26. Mr. Claxton said he was able to make this statement after Air Marshal Curtis reported to him on his return from Paris where he conferred with the Chiefs of Air Staff of the United Kingdom, the United States and France.

Air Marshal Curtis returned to Ottawa June 24 after attending the conference, where he discussed problems connected with the deployment of the 11 fighter squadrons which Canada has offered to the NATO integrated force under General Eisenhower.

Mr. Claxton said that as a result of Air Marshal Curtis's discussions at the Paris conference and in the United Kingdom, it was now possible to announce that 410 Fighter Squadron, presently being converted to F-86 Sabres at Dorval, would be moving to the UK in the Fall, to be followed by two additional fighter squadrons before the summer of 1952. No. 421 Squadron will have completed its tour of duty in the UK in December and will return to Canada for Christmas.

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FAVOURABLE EMPLOYMENT TREND: Employment showed a favourable trend in all major industrial divisions, except logging and mining, at April 1 as compared to a month earlier, according to the Bureau's detailed monthly report on the employment situation released June 25, with moderate expansion taking place in industrial employment as a whole as shown in the earlier preliminary report. The general improvement was contra-seasonal as compared with previous years.

AMBASSADOR TO YUGOSLAVIA: The Department of External Affairs announced on July 1 the appointment of Mr. J. Scott Macdonald as Canadian Ambassador to Yugoslavia. Mr. Macdonald has been Canadian Ambassador to Brazil since 1948. It is expected that he will arrive in Belgrade in September, after a short period of leave in Canada.

Mr. Macdonald was born in Goldenville, Nova Scotia, in 1896. He attended public and high schools at Sherbrooke, N.S., and Queen's University. He served overseas with the Canadian forces in the First World War.

After the war, Mr. Macdonald joined the Department of National Revenue, and then the Department of Trade and Commerce. He entered the Department of External Affairs in 1928 and, prior to his appointment as Ambassador to Brazil, served as Counsellor in Paris, as High Commissioner to Newfoundland, and in various capacities in the Department in Ottawa.

Simultaneously with the appointment of Mr. Macdonald, the present Yugoslav Minister to Canada, Mr. Pribicevic, is being designated Ambassador and the missions in the two countries therefore became Embassies.

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SULPHUR DISTRIBUTION ORDER: The Minister of Defence Production, announced on June 28 that an order on the distribution of sulphur will become effective on July 2.

Order CE-1, released on June 28 by the Department of Defence Production, provides for the review of sulphur distribution in Canada by the Chemicals and Explosives Division. By using this new procedure, sulphur will be channelled into the necessary end uses to carry out the defence programme and meet essential civilian requirements. For the purpose of the Order, sulphur is defined as elemental sulphur in all commercial forms.

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RECORD WEEKLY EARNINGS: There was a further rise in industrial employment and payrolls at the beginning of May, according to preliminary tabulations by the Bureau of Statistics. Marked seasonal curtailment was noted in employment in logging in the Eastern and Central Provinces, but the trend in many other industries, notably construction, was upward at the beginning of May.

The advance index number of employment, on the base 1939=100, stood at 175.2 as compared with 173.3 at April 1, and 159.7 at May 1 in both 1950 and 1949. Per capita weekly earnings of men and women on the staffs of the larger firms in the industrial groups reached a new high at \$49.17 as compared with \$48.43 at April 1, and \$44.88 at May 1, 1950.

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PARLIAMENT ADJOURNED: The Fourth Session of the 21st Parliament was adjourned Saturday, June 30, ending the 104-day Session.

COLOMBO PLAN DISCUSSIONS: The Department of External Affairs announced on June 29 that during the previous week discussions on the Colombo Plan had taken place in Ottawa between representatives of the Government of India and Canadian officials. Mr. N. Sundareshan, Deputy Governor of the Reserve Bank of India, and members of the Office of the High Commissioner for India represented their Government.

The discussions were exploratory and covered the various types of projects which were listed by India in the Colombo Plan Report and in connection with which Canada might most usefully provide material and financial assistance. Some of these are educational, some connected with public utilities such as irrigation and water power, some of a commercial character. Others provide for the export from Canada to India of industrial materials and foodstuffs. For each type of project, different forms of financing are appropriate. These financial matters, as well as problems of supply, were discussed.

A senior official of Pakistan is expected to arrive in Ottawa soon for similar discussions.

The six-year development programmes drawn up by India, Pakistan and other countries in South and South-East Asia under the Colombo Plan are to begin July 1, 1951.

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CANADA-U.S. FISHERIES: Representatives of the fishing industries of both Canada and the United States will have an opportunity to better their mutual problems next year, the annual meetings of the two large organizations having been arranged to take place within days of each other on the West Coast. The fishing industry of British Columbia will be hosts to the 1952 annual meeting of the Fisheries Council, which will be held in Vancouver on April 28, 29 and 30. This meeting will open three days after the conclusion of the annual convention of the National Fisheries Institute of the United States, to be held in Los Angeles. N.F.I. members have been invited to join their Canadian friends on this occasion. - (Dept. of Fisheries Trade News.)

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KOREA FILMS FOR RESERVES: Canadian Army Reserve Force soldiers will have the opportunity of viewing, on film, many of the more important aspects of the United Nations' struggle in Korea.

Copies of more than 50 American films, produced by U.S. combat cameramen at the front, now are on file in the Joint Services Training Film Bureau at Army Headquarters, Ottawa. Reserve as well as Active Force units have access to the films, majority of which are classified "restricted" or "confidential".

TWO MONTHS' SURPLUS \$275.4 MILLION

COMPTROLLER'S STATEMENT: The Minister of Finance, Mr. Abbott, on June 30, released the Comptroller of the Treasury's statement for the month of May and the first two months of the current fiscal year, showing a budgetary surplus for the first two months of the fiscal year of \$275.4 million.

The Comptroller's statement shows that total revenues for the month of May amounted to \$353.0 million compared with \$273.1 million for May 1950. May revenues from income tax last year were abnormally low by reason of the offsetting effects of refunds arising from 1949 tax changes, and this influence was not present in the current year. Revenues for the first two months of this fiscal year amounted to \$571.3 million compared with \$439.2 million for the same period a year ago, an increase of \$132.1 million.

The Government's expenditure for the month of May amounted to \$199.1 million compared with \$156.9 million in May 1950. The increase of \$42.2 million is practically all accounted for by the increase in the expenditures of the Department of National Defence which showed an increase in May 1951 of \$40.9 million over that for May 1950.

For the first two months of the fiscal year, expenditures totalled \$295.9 million compared with \$244.9 million in the same period 1950. The increase in expenditures of \$51 million was almost wholly accounted for by the increase of \$46.4 million in expenditures of the Department of National Defence. In addi-

tion, there were increases of \$1.8 million in family allowance payments and \$1.2 million in the Government's contribution to the Unemployment Insurance Fund.

Revenues for the month of May exceeded expenditures by \$153.9 million compared with \$116.2 million in May 1950. The accumulated budgetary surplus for the first two months of the fiscal year totalled \$275.4 million compared with \$194.3 million in the same period a year ago. Mr. Abbott stated, "the surplus at the end of May cannot be taken as indicative of the surplus for the current fiscal year as a whole. While revenues are more or less spread throughout the year expenditures are always more heavily concentrated in the latter part of the year. In addition this year we have the rapid growth in the defence programme which will be reflected in expenditures of the Departments of National Defence and Defence Production. The total estimates for expenditure by these two defence departments, including supplementary items recently tabled are \$1,729 million, and expenditures during April and May have amounted to only \$98 million".

In addition to budgetary expenditures, there were non-budgetary disbursements amounting to \$13.2 million in May 1951 and \$25 million in the first two months of the fiscal year. These cash outlays for loans, advances and investments were approximately unchanged from last year when disbursements in May totalled \$10.3 million and for the first two months \$24.1 million.

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CANADIAN WEEKLY BULLETIN



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WEEK'S EVENTS IN REVIEW

MR. ST. LAURENT ON CHINA BLOCKADE: The Prime Minister, Mr. St. Laurent, speaking in the House of Commons on June 19, declared his opposition to proposals for a complete naval blockade of communist China.

He was speaking to an amendment moved by the Leader of the Progressive Conservative Party, Mr. Drew, which read as follows:

"This House is of the opinion that the exemption granted under section 133A of the Canada Shipping Act by the Minister of Transport on May 12, 1950, to the seven ships or vessels owned by the Ming Sung Industrial Company of Canada Limited and registered under the Canada Shipping Act should be immediately withdrawn."

In detailing the Government's information and position with respect to the operation of these ships, built in Canada, and still of Canadian registry but now operating out of Hong Kong, he proceeded to the larger question, saying:

"Though we on this side of the House do not agree with certain generals of our great allies south of the border that there should be a blockade of China, we do feel that all reasonable precautions should be taken to keep out of that area at this time such strategic materials as may be useful elsewhere...."

Later, on the same subject, he said:

"All hon. members know that the British and the Americans, or some of the Americans, have not seen eye to eye as to the proper policy or the extent of applying restrictive policies to trade with China. Some people believe that there should be an armed blockade of China preventing all kinds of trade and traffic with that country. There are several hundred million Chinese in that territory, there are several hundred million in the other Asiatic countries, and I think it would be a sorry state for the western world if all those human beings were driven permanently into the communist camp. The policy that this Government and our Department of External Affairs have been trying to follow is to bring about some kind of negotiated settlement of the Korean incident in the hope that it will not become necessary permanently to treat as belonging to the iron curtain part of the world those great Asiatic populations.

"These are our views which are just as honestly entertained as are entertained the views of some of the citizens of our great American ally who think that there should be at once a complete naval blockade of China. I do not doubt the honesty of such views, though I do

THE WEEK IN PARLIAMENT

GRANTS TO UNIVERSITIES: First governmental action on the Report of the Commission on National Development in the Arts, Letters and Sciences (Massey Report) was announced in the House of Commons on June 19 by the Prime Minister, Mr. St. Laurent, who said in part:

"After a preliminary examination of the Report the Government has come to the conclusion that there are two matters on which interim action should be taken at the present session. One of these is broadcasting. It is intended to leave until the session to be held later this year the matter of changes of a permanent character in the legislation, but, as hon. members are aware, the Canadian Broadcasting Corporation has for some time been faced with the serious problem of attempting to meet rising costs from a relatively fixed income. In order, therefore, to tide the corporation over until appropriate legislative provision can be considered, an interim grant will be proposed in the supplementary estimates shortly to be presented by the Minister of Finance. This grant will be designed to cover the urgent requirements of the Canadian Broadcasting Corporation for the rest of the present fiscal year.

IN NATIONAL INTEREST

"The Government has also reached the conclusion that it is in the national interest to take immediate action to assist the universities to perform functions which are quite essential to the country, and indeed to the proper administration of the Government of the country. We are not yet in a position to ask Parliament to accept any permanent scheme for this purpose, but we have decided that grants should be made available for the forthcoming academic year along lines recommended by the Massey Commission. An item will, accordingly, be included in the supplementary estimates of the Minister of Finance of a sum approximately equal to fifty cents per capita of the present estimated population of the country.

"It is intended that this amount should be divided among the provinces in proportion to their population, and that within provinces the division among institutions should, as the Commission suggested, be in proportion to their enrolment of students at university level. Parliament will be asked to empower the Governor in Council to make regulations to ensure these ends and to enable the Minister of Finance to seek the advice and assistance of an advisory committee or committees to be drawn from the national conference of Canadian universities.

"In making this announcement I feel I should emphasize that the federal action is intended to provide a necessary supplement to the assistance to universities already made available by the provincial Governments, and

it is our earnest hope that no provincial authorities will regard this federal contribution as in any way replacing their own obligations to the institutions which they have been supporting in the past.

"These federal grants are designed, moreover, primarily to assist the universities to maintain the highly qualified staffs and the working conditions which are essential for the proper performance of their functions--in other words, to maintain quality rather than to increase existing facilities. It is our feeling that if in any province increased facilities involving increased capital outlays are required by the universities, these should be met from the usual sources rather than from federal assistance. The recommendations of the Commission with respect to scholarships will be considered and dealt with later.

AUTONOMY OF PROVINCES

"I might add that in making these recommendations to Parliament it is intended to avoid any possible suggestion that we are interfering in any way with the policies respecting education in the respective provinces. It is for that reason we wish the Minister of Finance to have the power to consult with and get assistance from the conference of Canadian universities for the purpose of drafting regulations that will provide for the allocation of this grant in proportion to the population of each province, and within each province in proportion to the number of enrolments of students of university rank in the institutions. I am sure there can be no suggestion that in doing this there will be any interference with the absolute autonomy of the provinces and the provincial institutions in the field of higher education."

"NATO FORCES AGREEMENT:" The Prime Minister, Mr. St. Laurent, announced in the House of Commons on June 18 the signing by Canada and other parties to the North Atlantic Treaty of the NATO Forces Agreement. He said in part:

"I wish to make a statement with regard to an international agreement which was signed in London today by Canada and other parties to the North Atlantic Treaty, and which is to be announced at about half past eleven our time in both London and Washington. It is entitled 'Agreement between the Parties to the North Atlantic Treaty Regarding the Status of Their Forces,' or, in abbreviated form, 'The NATO Forces Agreement....'

"This agreement sets forth the rights and obligations of North Atlantic Treaty countries in respect of their armed forces stationed in or passing through other North Atlantic Treaty countries. The agreement is subject to ratification, and, of course, the approval of Par-

liament will be sought prior to ratification. That will not be during the present session.

"At the outset I should like to emphasize that this agreement does not deal with the question whether troops are to be sent abroad; and it has no connection with the question of command of integrated NATO forces. It is solely concerned with the laws and regulations which are to govern an armed force after it has been sent, by mutual agreement, into another North Atlantic Treaty country.

"It is a fully reciprocal agreement and will give valuable protection to Canadian servicemen serving in the integrated force. At the same time the rights of the receiving country are fully respected. The agreement provides that 'it is the duty of a force...to respect the law of the receiving state, and to abstain from any activity inconsistent with the spirit of the present agreement, and, in particular, from any political activity in the receiving state'.

GEN. EISENHOWER'S STATEMENT

"General Eisenhower, in a statement issued today, says that it is a most important agreement, one of great significance to the integrated force under his command.

"As there will be full opportunity for detailed discussion of the agreement in Parliament in due course, I do not propose to take up time now with a clause by clause explanation. I will, however, list the main subjects dealt with in the agreement. They are:

"1. The criminal and disciplinary jurisdiction of the military courts of the visiting force and the jurisdiction of the civil courts of the receiving country;

"2. The application of the tax laws and customs tariff of the receiving country to the visiting force;

"3. The application of the immigration regulations of the receiving country to the members of the visiting force;

"4. The settlement of claims for damage or injury arising out of the activities of the visiting force;

"5. The procurement by the visiting force of goods, accommodation, labour and services from sources in the receiving country;

"6. The wearing of uniforms and the carriage of arms...."

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TAX AGREEMENTS WITH SWEDEN, FRANCE: The House of Commons, on June 18, passed three bills providing for tax agreements with Sweden and France, one, a measure approving an income tax agreement with Sweden and two others providing respectively for succession duty and income tax agreements with France:

The purpose of the first bill, the Minister of National Revenue, Dr. McCann, explained, was "to give legal effect in Canada to the agreement between the Government of Canada and the Royal Government of Sweden, for the avoid-

ance of double taxation and the establishment of rules for reciprocal fiscal assistance in the matter of income taxes, which was signed at Ottawa on April 6 last.

"This agreement, in line with similar agreements we already have with the United States, the United Kingdom and New Zealand, has as its purpose the avoidance of double taxation in respect of trading profits, dividends, interest, and royalty payments flowing between Sweden and Canada. It systematizes taxes imposed on other types of income, including salaries, pensions and annuities which might be taxable in both countries...."

Concerning the bills approving agreements with France, he said, in part, of the first: "The purpose of this bill is to approve, and to declare as having the force of law in Canada, the convention between the Canadian Government and the French Government for the avoidance of double taxation and the prevention of fiscal evasion with respect to succession duties.

"As the Committee knows, we now have succession duty conventions with the United States and the United Kingdom. These have been followed as patterns in the negotiations with France... The main purpose of the agreement is to provide for a tax credit and for exchange of information...."

The purpose of the third, he said, was "to approve and declare as having the force of law in Canada the convention between the Government of Canada and the Government of the French Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

"This agreement he added follows the pattern of the agreements which Canada already has with the United States, the United Kingdom and New Zealand...."

* * * *

MR. ANDREW THOMSON HONOURED: The newly-created World Meteorological Organization of the United Nations has selected Andrew Thomson, Controller of Meteorology of the Department of Transport, as President of its North American Regional Meteorological Association. Mr. Thomson has recently returned from Paris where he took part in the final meeting of the 79-year old International Meteorological Organization and its replacement by the new World Meteorological Organization.

In his capacity as President of the Regional body, Mr. Thomson will be required to co-ordinate meteorological and associated activities among the countries of North and Central America. Chief among these duties will be to secure the unification of methods of forecasting and reporting hurricanes, the co-ordination of codes, international transmission of weather data and provision of adequate weather reporting stations.

CROP CONDITIONS IN THE PRAIRIE PROVINCES:

With minor exceptions, moisture conditions are good throughout the Prairie Provinces and, with warmer weather, crops generally made satisfactory to excellent progress during the past week. Damage from grasshoppers has been light to date but heavy infestations are developing in some districts. Baiting operations are under way in affected areas. Cutworm damage has been quite severe in local areas of western Saskatchewan and southern Alberta. Wireworms have been very active in parts of west-central and south-western Saskatchewan.

Crops made satisfactory progress in Manitoba this past week. Late-seeded crops have benefited by rainfall and warmer weather and have germinated well. Early-seeded wheat is eight to 10 inches in height. Very little crop is suffering but general rains would be helpful.

Growth was good though not rapid in Saskatchewan last week. Late seedings made favourable progress after recent rains but cool weather in early June retarded growth considerably. Surface and subsoil moisture supplies are generally good but rain is needed in west-central areas and northeast Saskatchewan around Melfort. In the province as a whole, wheat averages six inches and coarse grains four inches in height.

Excellent growing weather has prevailed in most of Alberta during the past week and crops have made rapid progress. Moisture conditions are good in all sections with the exception of the southern part of the Peace River District and the area from Edmonton north to Athabasca. Rain is needed immediately at the latter point, where crops are suffering from drought.

* * * *

TELEVISION SALES LEAP: Sales of television receivers moved sharply higher in March and the first three months of the year over the same periods of 1950, and there was a marked rise in the number of radios sold both in the month and first quarter, according to the Bureau of Statistics.

Producers' sales of television sets in the month totalled 5,428, more than five times as large as last year's March sales of 926, and the value at list prices rose to \$3,250,663 from \$391,735. In the January-March period, 13,757 units were sold with a value of \$7,593,953 as compared with 2,445 at \$1,009,104 in the same months last year. Radio sales in March numbered 66,006 units valued at \$5,350,843 compared with 54,533 at \$4,299,040 in March last year, and in the cumulative period totalled 173,539 worth \$14,608,751 against 138,481 at \$10,818,061.

FARM CASH INCOME UP: Farm cash income from the sale of farm products and from grain adjustment and participation payments on previous years' crops was 13.4 per cent higher in the first quarter of this year than in the same period of 1950, according to preliminary estimates by the Bureau of Statistics. First-quarter total was \$477,500,000 as against \$421,100,000 a year earlier. In addition, supplementary payments made to farmers under the provisions of the Prairie Farm Assistance Act amounted to \$7,900,000 as compared with \$8,800,000 in the first three months of 1950.

The increase in cash income for the first quarter can be largely attributed to three factors. First, marketings of grains were considerably higher than for the corresponding period a year ago, as a result of larger crops in 1950 and adverse harvesting conditions which delayed deliveries during the fall months. Secondly, payments made by the Canadian Wheat Board amounted to approximately \$18,000,000 as against \$4,700,000 in the same period of 1950. Cheques issued by the Board were largely for adjustment payments made in connection with the increase in the initial price of oats and barley effective February 1, 1951 and retroactive to August 1, 1950. Finally, livestock prices which established some new record high levels during the January-March period of 1951 more than offset a general decline in marketings.

* * * *

MORE PROFESSIONAL ENGINEERS: The number of professional engineers in Canada has increased by 50 per cent during the past six years, the Minister of Labour, Mr. Gregg, has announced.

In reviewing a report of the Technical Personnel Division of the Department, Mr. Gregg pointed out that due to the heavy enrolment of World War II veterans at Canadian universities, there had been substantial increases in the supply of all technical and professional personnel since 1945. The Minister suggested Canada's investment in War Veterans' education was now paying off in these days of strong demand for higher production levels and a corresponding demand for specialists in many lines.

* * * *

CURRENT WHEAT SUPPLIES: Wheat supplies remaining on or about May 1 this year in the four major exporting countries -- United States, Canada, Australia, and Argentina -- for export and carryover at the end of their respective crop years amounted to 874,000,000 bushels as against 813,000,000 a year earlier, according to the May issue of the wheat review by the Bureau of Statistics.

(Continued from p.1)

MR. ST. LAURENT ON CHINA BLOCKADE

doubt their wisdom. In this regard, what has been done up to the present time by the Government with respect to these ships is what I think any Government from any party in this House would have done up to this time.

"Whether another Government made up from another party in this house would at this time withdraw the exemptions that have been accorded I am unable to say. I do not think they would. From what we have been able to ascertain through these sources up to the present time I think it would be unwise to withdraw these exemptions and thus brand the owners of these ships as unreliable.

"If we branded them as unreliable and put them in the position where they cannot operate, it would be natural for them to say, 'Well, you will just have to wait for your money'. That again would not be enough to stop us from acting if there were any serious indication that harm to the cause of the United Nations and our men in Korea was being occasioned by the operations of these ships. But we must not lose our perspective. There is no doubt that Chinese troops are engaged in the operations in Korea, but there are between 400 million and 500 million people in China, and it is by tens of thousands that those who are engaged in warlike operations have up to the present time been counted. The rest of China is living; the rest of China is carrying on some part of its normal life; and I think there is justification for what has been up to the present time the view of the British Government that it would be unwise to cut off trade in non-war commodities between Hong Kong and the mainland of China...."

AMENDMENT DEFEATED

The amendment, which was defeated by 116 votes to 36, was supported in discussions by Gen. G. R. Pearkes, V.C., (PC-Nanaimo) Mr. Howard C. Green (PC-Vancouver-Quadra) and Mr. J.M. Macdonnel (PC-Greenwood).

The following is an excerpt from the remarks of the Prime Minister on the subject of the operation of the ships in question:

"The information we have up to the present time--we have not yet received positive information about what goes out of Macao, which is a Portuguese port, but the information we have with respect to Hong Kong is that nothing goes out of there that is on the list of embargoed commodities of the United Kingdom and its crown colonies. There are things which are on our embargo list, which we do not allow to be exported from Canada to China, but we felt that if ships were operating on the high seas it would not be proper for us to determine what should be the policy of the port of a friendly nation, an allied nation, a commonwealth nation, with respect to commodities that it would allow to go to communist Chinese territory.

"We feel that the Government of the United

Kingdom, the people of the United Kingdom, would be just as much concerned if there were materials under their control going to China that could be of any help to the Chinese against British soldiers who are fighting side by side with our sons in Korea. We think that we are not the only holy people in the world, and that there are others who have the same reaction to humanitarian and patriotic consideration that we have, and that it is proper for us to say what Canadian commodities will not be exported out of Canada to China, but that it is proper for the Government of Hong Kong, the Government of the United Kingdom in its crown colony of Hong Kong, to say what it considers can be exported out of Hong Kong toward China, without endangering the safety of the soldiers from the United Kingdom who are fighting alongside men from others of the United Nations in Korea...."

* * * *

RECORD IMPORTS IN APRIL: Continuing the record-making trend of the three previous months, Canada's commodity purchases from other countries rose sharply in April to a new high monthly value. Commodity sales abroad also increased substantially but the gain fell considerably short of that for imports, the result being a marked increase in the import balance over that recorded in the first three months of the year.

Merchandise imports in the month were valued at \$393,000,000, a rise of \$162,100,000 or 70 per cent over the value of \$230,900,000 for April last year, and \$50,500,000 above this year's high March figure of \$342,500,000. Most of the April gain in the value of Canadian imports was due to an increase in volume, which was not far from one-half greater than in April last year and which accounted for some two-thirds of the increase in value. Domestic exports in April increased nearly 44 per cent to \$295,200,000 as against \$205,500,000 a year ago, while foreign exports moved up to \$5,000,000 from \$4,200,000. Imports thus exceeded total exports in value by \$92,900,000 as compared to \$21,200,000 in April, 1950.

During the first four months of the year, imports rose nearly 52 per cent to an aggregate value of \$1,336,900,000 as compared to \$880,400,000 in the same period last year, while domestic exports increased 29 per cent to \$1,104,400,000 from \$854,400,000 and foreign exports to \$15,400,000 from \$12,300,000. The result was a cumulative import balance of \$217,100,000 as against one of \$13,700,000 at the end of April last year.

Increased Canadian purchases from the United States accounted for about 70 per cent of the rise in total April imports over a year ago, but there were increases as well -- some relatively larger -- in imports from the United Kingdom, each geographical group of the other Commonwealth countries, Latin America, European countries, and other foreign countries.

1951 PROJECTED CAPITAL EXPENDITURES \$4,561,000,000

20 PER CENT INCREASE ON 1950: Canada's projected capital expenditures in 1951 are now estimated at \$4,561 million, an increase of 5 per cent, or \$233 million, over expenditures anticipated at the beginning of the year. This revised estimate, based on a survey just completed, was released on June 22 by the Minister of Trade and Commerce, Mr. Howe. The largest part of the increase takes the form of additional purchases of machinery and equipment by primary and manufacturing industries and utilities.

The new figure of total capital expenditure for 1951 is 20 per cent above that for last year. However, at least half of this increase may be attributed to higher prices. Within the total programme, estimated outlays for new construction now stand at \$2,724 million, an increase of 2 per cent over the first estimate for this year, and 16 per cent above 1950. Machinery and equipment expenditures, now estimated at \$1,837 million, are 11 per cent above the first 1951 estimate and 28 per cent above 1950.

IN MANUFACTURING

More than half of the increase over the first 1951 estimate is in manufacturing. The non-ferrous metals products group is up \$44 million; petroleum and coal products, \$15 million; chemicals, \$15 million; non-metallic mineral products, \$7 million; paper products, \$13 million; iron and steel, \$10 million; and the transportation equipment industry, \$7 million. About 77 per cent of these increases are for machinery and equipment, and the remainder for construction.

Almost the entire increase over the earlier estimate in projected capital outlay for 1951 has taken place within the business sector of the economy. Expenditures in the non-business sector, such as institutions, government departments and housing, are relatively unchanged.

Many of the changes in the revised estimate for 1951 are due to the initiation of entirely new projects on which information was not a-

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LEAD, ZINC, CADMIUM ORDER: The Minister of Defence Production, Mr. Howe, announced on June 20 that, commencing July 1, primary lead, refined secondary lead, slab zinc, and cadmium will be under direct allocation by the Non-Ferrous Metals Division.

These metals, which are on the essential materials list, have been under informal rationing by producers for several months. On July 1 this procedure will be replaced by an order-approval system. Approval will not ordinarily be granted where inventories are con-

available when the first estimate was made. In addition, with work well advanced on many projects at mid-year, it is possible for management to make more accurate and more complete estimates than at the time of the last survey, made in December, 1950.

A comparison of the revised 1951 estimates with actual expenditures in 1950 indicates a substantial increase in the capacity of industries which occupy a key position in Canada's industrial structure. Examples of such expansion include an increase in capital expenditures of 31 per cent in mining, 63 per cent in forestry, 17 per cent in central electric stations, 42 per cent in steam railways, 155 per cent in iron and steel, 200 per cent in non-ferrous metals products, 90 per cent in electrical apparatus, 175 per cent in petroleum and coal products and 96 per cent in chemicals. Sectors which show comparatively little change between the two years include housing, trade, finance, insurance and real estate, and commercial services. An increase of 29 per cent in outlays by governments is largely accounted for by the substantially larger volume of defence construction.

REPAIR AND MAINTENANCE

Expenditures on repair and maintenance, which appear in the revised forecast of \$1,738 million, are about 6 per cent above the original forecast and about 10 per cent higher than the figure for 1950.

The upward revision in the overall programme has taken place concurrent with the implementation of government measures to discourage the use of resources for non-essential investment. Reductions in outlays for relatively less essential purposes have been more than offset by the expanding programmes of industries which are essentially defence-supporting in nature.

On the whole, the changing pattern of investment plans indicates a redirection of productive resources toward a broadening of Canada's industrial base and a strengthening of the nation's defence potential.

sidered to be excessive. However, it is not expected that initially the supply of these metals to Canadian industry will be materially changed under these orders.

The orders released June 11 by the Department of Defence Production are similar to those issued recently for nickel, copper and aluminum. In addition to regulating the rate of metal consumption for commercial purposes, these orders will prevent surplus buying to build up abnormal inventories.



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WEEK'S EVENTS IN REVIEW

CANADA'S DEFENCE EFFORT: Addressing the Semi-Annual National Meeting of the American Society of Mechanical Engineers in Toronto on June 13, the Minister of Defence Production, Mr. Howe, gave a review of Canada's defence effort, concluding with an explanation of Canada's system of controls, which differed from that of the United States. The Minister's analysis of our defence effort was, in part, as follows:-

"When the United Nations sent out a call for free nations to send armed forces to stop aggression in Korea, Canada immediately sent three destroyers to Korea and sent a squadron of heavy transport planes to operate between America and Korea.

"Canada then acted without delay to mobilize and place at the disposal of the United Nations, a brigade of ten thousand combat troops. Recruiting began on August 9, 1950, and the required strength was quickly reached. On February 19th of this year one battalion of the famous Princess Patricia's Canadian Light Infantry went into action. The balance of the brigade continued its training at Fort Lewis, Washington, and, in response to a request by the Unified Command, was sent to Korea. The entire Canadian brigade participated in the brilliant action which began a few weeks ago and which resulted in such a great victory for the forces of the United Nations.

"These are the facts about our participation in the Korean war. Naturally enough, we are proud of the record of the Canadian forces. We think they have played an important and distinguished role. But Canadians do recognize that the brunt of the battle in Korea has fallen upon the American forces. It was the United States which gave leadership to the free nations when leadership was required and which has carried the major responsibility. We salute our American neighbors as brothers-in-arms.

"The defence of our immense territory by a population of fourteen million people presents a unique problem. We must depend upon mobility, for even if all our men of military age are pressed into service, we could not hope to defend our sea coasts and our centres of population by any static defence. Therefore, our defence planning in Canada must emphasize air power and sea power; air power to focus the defence on the point of attack wherever it may be, and sea power to protect our coasts and our trade routes. The normal backbone of our active service infantry force is an airborne brigade, highly trained and specially equipped for warfare in the northland, that can be moved with all speed and dropped by parachute, if necessary, wherever an attack may occur. Our static defence includes fortifications for our coastal cities and anti-aircraft protec-

tion for our vital points. Our permanent force is backed up by a reserve army organized as a skeleton of six divisions, well-equipped and ready for mobilization on a reasonable notice.

"In the event of war, we may expect air attacks from Russia. To meet that possibility our armed services are working in close co-operation with those of the United States. A screen of radar stations is being built, connected by a network of communications and backed by squadrons of fighters, strategically placed. The Canadian and American chains will be linked together to form a single system. One quarter of the system will be in Canada and will be built by Canada. To supplement this air defence, we are modernizing our heavy anti-aircraft guns to protect our vital points against bombing. We must also be prepared for the possibility of airborne troops being landed in North America. As I have stated, we have specially trained airborne troops to meet such an attack.

"Our navy is being brought up to a strength of about one hundred ships, including one aircraft carrier, two cruisers and a considerable number of destroyers and smaller escort vessels. We are building a fleet of well armed high speed escort vessels to cope with the latest edition of the Russian submarine. Our navy is expanding its air support to protect the approaches to our principal harbours."

CO-OPERATION WITH NATO

On the subject of co-operation with NATO, Mr. Howe said:

"We in Canada look upon collective measures for defence by the North Atlantic Treaty Organization as a part of the defence of Canada. We are not isolationists and never have been. It is the view of the Canadian Government that the vital area of global defence is in Western Europe and we have acted accordingly.

"Let me summarize briefly the practical steps we in Canada have taken in support of the North Atlantic Treaty Organization. In 1949 Canada offered to train army officers and aircrew for other NATO countries. Arrangements were worked out under which army officers and aircrew for Belgium, France, Italy, the Netherlands, Norway and the United Kingdom are being trained in this country. The total number of aircrew to be trained now stands at 1,400 per year.

"Last year we offered to NATO armament and equipment of United Kingdom type for a division. This was accepted and shipped last year to the Netherlands. Armament and equipment for a second division was offered in February of this year, and formal transfer to Belgium took place in March. We have agreed to send armament and equipment for a third division to Italy. Further transfers will be arranged as soon as replacement of United States type can be obtained.

"In addition, we are building munitions for NATO countries, which include early-warning

radar sets, walkie-talkie sets, and several types of heavy artillery. Serious consideration is being given to other NATO requests, particularly those munitions that fit in with our Canadian production programme.

"But Canada recognizes that equipment is not enough. We are making our contribution in men to the defence of Western Europe. As I have already said, we are strengthening the Canadian navy which has a vital role to play not only in the defence of harbours and coasts but also in guarding the life-line of shipping which stretches across the Atlantic Ocean.

"Our most important contribution will be in the air. One Canadian squadron is already undergoing training in England. Within the near future this force will become a wing of three squadrons. Ultimately Canada will have in the Integrated Force an air division of eleven squadrons at full fighting strength equipped with Canadian-built planes.

"Finally, Canada is now recruiting a brigade of the Canadian army which will take its place in the Integrated Force of NATO. The response to the recruiting campaign has been excellent and the quota will soon be filled.

"That, in brief, is what we have done and are doing as our part in NATO. What we may have to do in the future I do not know. But I think it is fair to say that Canada is taking its treaty obligations seriously and is doing its part to make this alliance of peace-loving nations a mighty bulwark against the rushing tide of aggression....

TO CARRY FAIR SHARE

"Canada has never shirked its responsibilities. We fully expect to carry a fair share of the sacrifices and costs of defence. On a per capita basis we shall probably carry more than many of our allies....

"Perhaps the chief source of criticism of Canada by Americans is that we do not have a system of compulsory military service. That is quite true but because we do not have compulsory military service does not mean that we are holding back in our preparedness effort. As I told some American friends in Chicago some weeks ago, the facts are quite to the contrary. In the opinion of the Canadian Government, Canada's defence effort would be weakened instead of strengthened by an attempt to introduce conscription at the present time. What I ask you to remember is that, when in the past the need arose for men to fight for freedom, Canada was not found wanting, either in quality or in quantity.

"Some time ago, our Prime Minister, the Right Honourable Louis St. Laurent, placed his views before the House of Commons on this problem of compulsory military service. I cannot do better than quote him:

"...we have been endeavouring to obtain the best possible information as to the most effective way in which our contribution can be made. So far there has been brought to my at-

tion nothing that would indicate that the institution of national selective service at this time would be beneficial. On the contrary, the information we have obtained is that it would hamper what is being done at this moment. Now, that does not mean that the situation cannot change, and it does not mean that if and when it does change there will not be changes in the manner in which our resources will be contributed to this pool of international strength. But those changes will not be recommended by this Government on any sentimental grounds because of any appeals on a racial or religious basis, but on their actual effective value to the joint strength of the combined forces of the North Atlantic Alliance."

* * * *

EMPLOYMENT INCREASE: Employment conditions improved rapidly during May as construction and farming work became more generally active and labour requirements increased in the logging, manufacturing and transportation industries, this improvement was reflected in a decline of 42,000 in applications for work with National Employment Service offices during the first two weeks in May. The total registered at May 17 was 175,000, a marked decrease compared to last year when applications totalled 306,000 at the same date, the Department of Labour reports.

The decrease in work applications in the first half of May was common to all regions, with the largest drop, over 17,000 taking place in the Province of Quebec.

The strong demand for farm labour for spring work, coupled with the scarcity of applicants, created numerous spot shortages of farm labour. This situation was eased, however, by an increasing flow of immigrants for this work, including Displaced Persons, Italian farm workers and Dutch families.

Manufacturing employment continued to expand in May, with strong labour demand centred in the iron and steel, pulp and paper, construction materials and defence industries. Many new manufacturing plants were opening up, largely as a result of investment made during the latter part of 1950. Such industrial expansion has created over 7,500 new manufacturing jobs in the first half of 1951.

* * * *

GROUP IMMIGRATION: The Minister of Labour, Mr. Gregg, announced on June 13 that more than 3,000 workers had come to Canada from Europe in group immigration movements during May.

The Minister explained that those coming under group labour movement plans, selected for particular industries, were in addition to the several thousands of individual immigrants

who entered Canada through the regular immigration channels.

Included in the total were 1,966 agricultural workers. Of these, 812 were members of family groups who had agreed to work on sugar beet farms, and 1,154 were general farm workers, including 582 Italian male farm workers.

Among the workers in these group movements were 276 domestic workers which included 78 domestic couples. Most of these workers were from Displaced Persons camps in Europe while a few were British.

Of the total number of workers brought into Canada in group movements during May, 623 were general labourers, of these, 483 were Displaced Persons, the remainder Maltese and other nationalities.

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CROP OUTLOOK IMPROVES: Recent rains and more seasonable temperatures have improved the crop outlook in Manitoba and Saskatchewan, while in Alberta moisture supplies are ample but warmer weather is required to promote growth.

Development of early seeded fields is normal in Manitoba and hay, pastures and late seeded crops will benefit greatly by the rains. Rapid advancement is also expected in Saskatchewan, where depleted surface moisture was retarding the development of late seeded crops particularly. Wheat seeding is practically completed in all areas of Alberta with two to eight inches of growth showing.

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WAGE INDEX RISE: The preliminary wage rate index for April, 1951 indicates that increases occurred over the past six months in all the major industries covered. The general index, which stands at 225.5, compared with 100 in 1939, is 4.3 per cent higher than the figure of 216.1 for October, 1950, which in turn represents an increase of 5.6 per cent over October, 1949.

In manufacturing, the largest single industrial group covered, the percentage increase in wage rates during the last quarter of 1950 and the first quarter of 1951 was only slightly less than during the entire year ending October 1, 1950.

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ARCTIC X-RAY PARTY: Plans are being made to send an x-ray party along Canada's western Arctic coast this summer as part of the programme to control tuberculosis among Indians and Eskimos. It is scheduled to leave Aklavik late in July on the Hudson's Bay boat, the Fort Hearne, and will visit such places as Holman and Read Islands, Coppermine, Cambridge Bay and Bathurst Inlet.

PROGRESS IN CIVIL DEFENCE

MR. MARTIN'S ADDRESS: The following are excerpts from the address of the Minister of National Health and Welfare, Mr. Martin, on "Canada's Progress in Civil Defence," before the Canadian Federation of Mayors and Municipalities, at Port Stanley, Ont., on June 12:

"The armed forces are establishing an advance warning system to detect any threatened attack on Canada. A radar network will be supplemented by the efforts of a ground observer corps of 150,000 civilians. Information gathered by this protective screen of military and civilian personnel in Canada, and from friendly countries, will flow into a number of strategically located air defence centres. At these centres experts will assess the information received and determine the strength and direction of any attacking force.

"I need hardly emphasize how vital it is to have advance warning of any enemy attack that might be directed against a community. The federal Government is therefore arranging to have trained civil defence liaison officers constantly on duty at these centres, who will be charged with alerting the civil defence authorities in target areas lying in the path of the predicted enemy approach.

"It will be an armed forces responsibility to make the necessary information immediately available to the civil defence liaison officers who will then transmit this information through the civil defence communications system to ensure that organizations in target areas are alerted without delay.

"When the advance warning has been given to the civil defence liaison officer and passed on by him to the target areas affected, it then becomes the responsibility of the local organization to pass it on through the local alarm system to alert the police, fire, health, welfare and other services, and to warn the general public.

"To be ready for the advance warning that will be flashed from the air defence centre, local civil defence authorities will have to arrange for 24-hour monitoring of its link with the communication system.

"Leading Canadian communication experts have been meeting with officers of my Department to determine the best way in which a simultaneous warning could be sent to all target areas threatened by the enemy's approach. A decision has now been reached on this point, and very shortly we will be in a position to

arrange for the establishment of these essential communication links between the military advance warning system and local civil defence organizations in target areas.

On the general subject of civil defence, the Minister said, in part:

"Since the appointment of the federal Civil Defence Co-ordinator, Major-General F.F. Worthington, two and one-half years ago, the overall federal plan for the defence of Canadian civilians has made steady progress. The provincial and municipal governments have also made substantial progress. In every province and in every community (except one) with 50,000 population -- as well as in many smaller communities -- civil defence directors have been appointed and nucleus organizations established.

"Training for civil defence is going ahead well on the federal level and provincial and local schools for instructors and voluntary workers are now in operation. The federal Government has trained all the leaders in civil defence work and is now training 400 instructors who in turn will train thousands of voluntary workers. Special training has been provided for physicians and nurses, and a federal programme is now shaping up to train hundreds of additional nurses. Many other civilians and members of the armed forces have been given special courses in ABC warfare.

"The rate of development of civil defence programmes in Canada must necessarily be related to the possibility of enemy attack and to the needs of the armed forces -- to which we must always give priority for money, supplies and personnel. After all, the best defence for any community is that Canada should have a strong military force so that in company with the other free nations we can keep the enemy from our shores or strike back hard if we are attacked.

"Various elements of our civil defence programmes are now being fitted into place. The preparation of informational and instructional materials; the training of leaders, instructors and workers; the organization of volunteers; the co-ordination of programmes between province and province in Canada and with their neighbouring states; the testing and purchase of equipment; the surveying of fire-fighting services; the stockpiling of medical supplies -- such essential steps are now being taken..."

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WHOLESALE TRADE UP 23 P. C.: Dollar volume of wholesale sales was 23 per cent higher in April and the first four months of the year than in the same periods of 1950. The general unadjusted index, on the base 1935-39=100, was 340.9 for April, 333.6 for March, and 278.3 for April last year. Value of inventories in

the nine lines of trade surveyed at the end of April was also 23 per cent above a year earlier.

Automotive parts and accessories and hardware dealers led in the rate of sales increase in the month as well as in the January-April period.

THE WEEK IN PARLIAMENT

DEFENCE PRODUCTION: The Minister of Defence Production, Mr. Howe, in the House of Commons on June 14, made a 12,000 word statement on the work accomplished by Defence Production Department in the two and a half months of its existence. The partial text of his remarks on the more important features of the programme were as follows:

"It is perhaps appropriate to start with the aircraft programme, because it is the largest. It is in this field that Canada has demonstrated its ability to compete with other countries, and it is in aircraft production that we can make a major contribution, not only to our own defence effort but to that of our allies. The aircraft division has already placed contracts amounting to over \$400 million, and a number of programmes are well under way.

AIRCRAFT PRODUCTION

"After spending years in research and development work on the CF-100 jet fighter and its Orenda engine, Avro in Toronto will be in production this fall. Deliveries of this aircraft will depend on how soon the new engine plant under construction at Malton can produce Orenda engines in quantity. In Montreal the F-86 Sabre is now in quantity production, with output limited only by the number of engines and complementary equipment imported from the United States. The Harvard training plane is being built in Fort William, and it is planned to produce its engine, propeller and other components in Canada as well. It is noteworthy that this will be the first time that complete aircraft have been built in this country, with all components Canadian made. It is expected that Canada may be able to supply the United States and Commonwealth countries with their requirements for this aircraft and its spare parts. As you know, the Canadian Beaver was chosen by the United States authorities in competition with eight United States aircraft manufacturers, and orders have been placed for 109 planes to be used by the United States air force. A further and larger order is expected.

"I have just recently received word that Canada will participate in the production of the United States air force twin engine trainer, the Beechcraft T-36A. Negotiations are not yet completed, but plans are also under way to produce in Canada the Lockheed T-33 dual controlled jet trainer.

"The Division is also engaged in placing orders and arranging for the production of a number of components required by the aircraft industry. Another important phase of its work is the allocation of orders for maintenance and repair of aircraft. For some years it has been the Government's policy to allocate this work to various sections of the country in order to ensure that adequate repair and main-

tenance facilities are strategically located across Canada. At the present time we have repair and overhaul requisitions from the R.C.A.F. amounting to approximately \$35 million, with some programmes extending over two years.

"We now come to the electronics division. This is one field in which Canadian production will make a substantial contribution, not only in producing for our own requirements but also for the requirements of the United States and our NATO allies....

"Our present electronic programme for the armed services is already under way and will eventually total more than \$400 million. As about one-quarter of the programme has been placed with prime contractors, the impact of this work on subcontractors will soon be felt.

"A third division is the shipbuilding division. As has been announced, contracts have already been allotted by this division for one icebreaker, fourteen minesweepers, fourteen escort vessels and five gage vessels, as well as a number of harbour craft. It is expected that this programme will amount to approximately \$200 million.

NEW TYPE MINESWEEPERS

"These are new types of minesweepers and escort vessels of which no prototypes are yet afloat. This means that certain capital assistance is necessary, and that some delays and difficulties at the shipyards may be expected from time to time. Although Canadian shipbuilding costs are somewhat higher than European costs, it has been government policy to maintain key personnel and essential equipment in all our major Canadian yards for strategic reasons. The growth of this programme is shown by the employment figures in the shipbuilding industry: October, 1950, 8,440, and April, 1951, 12,147.

"In addition, I released a statement last week which referred to the conversion and refitting of thirty-four ships. This is a two-year programme, and includes eighteen minesweepers and sixteen frigates. The shipbuilding division is also developing the production of propulsion machinery and auxiliary equipment.

"Another division is the ammunition and gun division.... Some pieces of equipment and kinds of ammunition are now planned for production in this country. For example, 60 millimetre and 81 millimetre mortars of United States design will be manufactured here. These will replace the 2-inch and 3-inch mortars used previously. In addition, the 3.5 inch rocket launcher anti-tank weapon, replacing the Piat as a standard, will be made in Canada. In artillery the American 105 millimetre and 155 millimetre howitzers will now be standard weapons replacing the old 25-pounder and the 5.5

inch howitzer. Both guns will be made at the Sorel plant, which is also engaged in the production of the 3-inch 50 calibre naval gun for the United States and Canada.

"Ammunition for the types of small arms and artillery which we have adopted will be produced in Canada. At the moment the bulk of the ammunition and small arms programme is being carried out by Canadian Arsenals Limited, and the howitzers and naval guns are being made at Sorel."

Mr. Howe also touched on the mechanical transport division, the machine tools division, Defence Construction, Ltd., and the small industries division, as well as on the materials situation. He said that Canada's labour situation is "tight", but he was satisfied there was sufficient labour of the right kind to support our defence programme as well as a flourishing civilian economy.

NEWSPRINT STATEMENT: During the course of his review of the work of the Department of Defence Production in the House of Commons on June 14, the Minister, Mr. Howe, made a statement on international allocations of newsprint, as follows:

"Some weeks after the Department was in operation it was decided to establish a pulp and paper division. The main reason for this move was the likelihood of some international allocations being recommended by the international Materials Conference.

"The Pulp and Paper Committee of this Conference has now recommended one allocation of newsprint to France and it is possible that there will be others during the next few months. I think that no one will quarrel with the desirability of North America assuring that our allies have at least minimum amounts of newsprint available in order to combat the claims of Communism. It seems that in the free countries where Communism is the greatest threat, the communist papers in one way or another get newsprint. It is important that we ensure that the free press of these countries also secure supplies.

"As I mentioned, the international materials conference has recommended an emergency allocation of 3,000 tons of newsprint to France, 2,500 tons of which is to be supplied by Canada. I have, under the powers granted me by the Defence Production Act, instructed the director of the pulp and paper division to make an equitable levy on all Canadian newsprint producers for the purpose of providing the aforesaid 2,500 tons of newsprint. This purchase will be made by the Canadian Commercial Corporation, on behalf of France, at prices not inconsistent with contract prices prevailing in North America, but having regard to any additional costs involved in this transaction.

"I do not believe that it will be necessary to divert a large tonnage of newsprint from North America in order to satisfy these emer-

gency requirements, but with our mills already over-committed it is obvious that North American users, who are by far the heaviest consumers of newsprint, must expect some cutback in order to provide this tonnage. Every precaution will be taken to requisition in such a way as to minimize the impact on producers and consumers in this country."

During discussion, later in the day, the Minister made this general statement on newsprint:

"It is difficult for every newspaper in the world to get additional newsprint. There is hardly a week goes by that there are not two or three important publishers from somewhere in the world in my office demanding that we give them an increased amount of newsprint. My hon. friend (Mr. Knowles) knows there is newsprint on the New York market selling for around three times the price of contract newsprint just because it is free newsprint. It is not easy to take care of new demands because they come from every quarter in the world. I think Canada is perhaps losing more good will through newsprint than anything else because we cannot take care of the requirements of all countries that think we should help them out in this situation. I have gone into the matter pretty carefully, and I believe our industry is trying to do a real job with Canadian newsprint. Certainly no Canadian contract has ever been varied as far as the news trade is concerned...."

THE DEPARTMENT'S ESTIMATES: The Secretary of State for External Affairs, Mr. Pearson, made statements on the activities of five Canadian-registered, Chinese-owned ships in China waters, the St. Lawrence Seaway, the amount of Soviet Russia's contribution to UN costs, CBC shortwave broadcasts, and the proposed Japanese peace treaty, when the House of Commons, in Committee of Supply, took up Department of External Affairs estimates on June 15.

The subject under lengthiest discussion was that introduced by Gen. G.R. Pearkes, V.C. (PC-Nanaimo), who charged that five ships operated by the Ming Sung Industrial Co., of Canada, Ltd., were engaged in "a disgraceful trade," taking strategic materials to China while flying the Canadian flag. He had received his information, he said, in a letter dated June 4, 1951, and sent to him personally by the general secretary of the China coast navigating and engineer officers' guild. Gen. Pearkes read the letter.

Gen. Pearkes was joined by the Progressive Conservative Leader, Mr. Drew, and other Opposition members, notably, Mr. J.G. Diefenbaker, (PC - Lake Center) and Mr. Howard C. Green, (PC, Vancouver-Quadra) in the submission of a number of questions relating to the operations of these ships.

STATEMENT BY MR. PEARSON

The following is an excerpt from one of the statements of Mr. Pearson, during the 6-hour debate:

"...we received a letter from the same organization to which the hon. gentleman has referred. We received that letter, I think, last week. That was the first time, to my knowledge--and I am speaking only for myself at this moment--that any suggestion had been made that these ships were being improperly used. As soon as that letter was received, I at once took the matter up with my colleagues in the Cabinet, and we sent a telegram at once to the Canadian official representative at Hong Kong requesting him to check up on those allegations and to give us all the information that it was possible for him to give. We have also taken the matter up with the United Kingdom authorities at Hong Kong. So far, although our information is not complete, we have not received any information which would justify the allegations made in the letter to which my hon. friend has referred. On the contrary, we have received specific information challenging those allegations and stating that they could not be supported by evidence.

"There will be an opportunity to discuss this matter in detail. It concerns the Department of Finance as well as the Department of Trade and Commerce and the Department of Transport. But I want to assure the Committee now that we have had the charge which has been levelled against this company--that of transporting war material to China--denied flatly by representatives of the company and the evidence we have received from other sources also supports that denial. It must be remembered that before the ships can leave Hong Kong, they have to get customs clearance from the Government of Hong Kong. It must also be remembered that regulations are in effect in Hong Kong to prevent strategic material of any kind from going to communist China. It must also be remembered that the Canadian Government has regulations to that end, and those regulations have been in effect for many months. And we have done what we can to make sure that nothing of a strategic nature can get to China at this time...."

ST. LAWRENCE SEAWAY

Mr. Pearson said in regard to the St. Lawrence Seaway:

"The hon. member for Peel (Mr. Graydon) made some reference to the St. Lawrence waterway. I listened to his remarks with great interest, and all I should like to say about it now is that the Government still hopes that this great undertaking, which should be of benefit to both countries economically, and indeed politically and in other ways, can be carried out as the result of co-operative arrangements between the two countries. That is still our hope, and that is our objective. We

shall be disappointed indeed if that cannot be achieved. I am inclined to agree with the hon. member that it is desirable for the Canadian Parliament and the Canadian Government to know as soon as possible if it can be done that way. It would be unfortunate if we were kept in a state of indecision indefinitely; therefore I hope our friends in Washington will be able to come to a decision on this matter before very long. What should be the proper course for Canada will depend no doubt on the nature of the decision reached in Washington, and I do not think it would be very wise on my part to anticipate that decision now by making suggestions for alternative courses of action. Therefore I would prefer to leave the matter at that."

U. S. S. R. CONTRIBUTIONS TO UN

On the proportion of UN costs borne by the U. S. S. R., Mr. Pearson said:

"...Both the hon. member for Peel (Mr. Graydon) and the hon. member for Rosetown-Biggarr (Mr. Coldwell) stressed the desirability of continuing the struggle in the United Nations to increase the proportion of the cost of that organization to be borne by the U. S. S. R. We have taken a most active part in that agitation, as the hon. member for Peel pointed out, and will continue to do so. The present proportions are most unfair to other members of the organization, and we hope we shall be able to make further progress during the next Assembly in the direction of increasing the proportion of the cost to be borne by the U. S. S. R. and its satellite states. We made some progress in that direction in the last Assembly, but not sufficient. We will not give up that struggle...."

CBC INTERNATIONAL SERVICE

On the international service of the CBC, Mr. Pearson said, in part:

"The hon. member for Peel (Mr. Graydon) suggested that we extend our coverage behind the iron curtain. In view of the circumstances with which we are faced at the present I think the importance of that will be recognized by all hon. members. However, it would necessitate a considerable expenditure. It could not be done simply by transferring facilities now used for broadcasting, say to Latin America, for use for broadcasting to the Ukraine or Poland. An additional organization would have to be brought into the international service which would be familiar with this particular kind of broadcasting...."

JAPANESE PEACE TREATY

Discussing the proposed Japanese Peace Treaty, he said, in part:

"Our position as a Government in this matter has been made pretty clear to the House: we are in favour--and I am sure the House is in favour--of the earliest possible conclusion of such a treaty--so that Japan may be brought

(Continued on p. 8)

NATIONAL STATISTICS

Tonnage of cargo through all Canadian canals was up sharply in April this year over last, rising 72 per cent to a total of 1,980,673 tons****Department store sales rose four per cent during the week ending June 2 as compared with the corresponding week last year, according to preliminary figures****Estimated total of salaries and wages and supplementary labour income in February amounted to \$741,000,000, unchanged from the preceding month, but up \$98,000,000 or 15 per cent above the corresponding month last year****Cheques cashed against individual accounts were more than one-fifth higher in April and the first four months of this year than in the corresponding periods of 1950. Gains were common to each of the five economic areas****Canadian production of crude petroleum was slightly higher in March than in the corresponding month last year, but with sharp gains in both January and February, the aggregate for the first quarter of this year was almost one-third above the similar period of 1950****Can-

adian production of electric energy by central electric stations was one-fifth higher in April than in the corresponding month last year, the month's output amounting to 4,895,491,000 kilowatt hours as compared with 4,070,021,000****

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(Continued from P. 7)

THIS WEEK IN PARLIAMENT

back into the family of nations and play her part as a strong democratic country, especially in Asian affairs. So we have welcomed the discussions which have taken place to that end. When we were consulted, as we were some months ago, as to the form which these discussions should take, we agreed with our friends in Washington and London that possible diplomatic talks initiated by the United States with other governments interested, rather than a general conference, would be the best way to proceed in the present circumstances. As the Committee knows, these talks have been proceeding and are now reaching finality...."

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WEEK'S EVENTS IN REVIEW

MR. PEARSON'S TORONTO SPEECH: The Secretary of State for External Affairs, Mr. Pearson, on June 5, addressed a dinner meeting given by the City of Toronto in honour of the foreign exhibitors at the Canadian International Trade Fair. The following is the text of that portion of the speech which he devoted to Canadian policy regarding shipments to Soviet communist countries and to the People's Republic of China:

"....some people hold the view that the free world should cut off all trade with Russia and the satellite countries, notwithstanding the fact that some of the free countries on the periphery of the iron curtain have long-standing and important trade relations with their communist neighbours. I, personally, do not think such a course is desirable or necessary at present. The severance of all trade relations with these countries would, in many cases, be as harmful to the economy of the free world as it would to the countries behind the curtain. In some cases the effects on the free world might be even more harmful, both economically and politically.

"There is, however, common agreement on one aspect of our trade relations with the Soviet communist countries. The Canadian Government together with many other countries of the free world have for some time prohibited the export,

to the Soviet bloc, of armaments, commodities of strategic importance and materials in short supply. This is a policy of elementary common sense. The export of these strategic commodities to Soviet communist countries has been reduced to a trickle and efforts are constantly being made to stop any illegal traffic that still exists. There should be no division of opinion on this policy.

"It is quite another matter, however, to cut off all trade in products which cannot be used for war purposes. International trade has always been a major avenue for establishing relations with other countries. Although these relations may have, at times, given rise to disputes, the fact that trade can be carried on only when it is mutually beneficial for both buyer and seller has made it desirable to maintain the best possible commercial relations with important market areas or important sources of supply. In the past, the cutting off of all trade relations with a country has been regarded as an indication of open hostility, and of the virtual certainty of that hostility breaking out shortly into open war. Neither the Canadian Government nor, I believe, the Canadian people, would consider it wise to cut themselves off irrevocably from the peoples of the countries under Soviet domination unless, of course, the policies of their gov-

ements leave us no other choice. That would be a final diplomatic step to take. Finality in diplomacy - which is something more than decisiveness and firmness - is unwise unless it is forced on you.

"Canada has no aggressive feelings or intentions toward the peoples of communist states. We wish that the policies and purposes of their governments were such as to make it possible for us to conduct mutually advantageous trade relations with them. Such trade might conceivably help to remove some of the fear and distrust which has now been planted in them by their rulers. This aspect of our commercial policy in the present situation should not be based on despair. On the other hand, it should not be based on innocence. We must not allow our passion for peace to blind us to realities, and one such reality, I am afraid, is the fixed hostility of communist governments which can and does express itself in commercial as well as political matters.

FUTURE WORLD PEACE

"The free world is building up its strength in order to make it patently clear to the Soviet communist world that we will brook no further aggression. We fully recognize that the future peace of the world depends to a large extent on the realization in Russia and the satellite countries that they cannot resort to war for the furtherance of their expansionist aims without tragic consequences for them; that the free peoples will defend themselves with all the military and economic might they possess. This, however, does not mean, in my view, that we must stop every form of commercial intercourse with Soviet Communist countries; but merely that we will not allow such trade to contribute to aggression, or to the strengthening of the forces - economic and political - that make for aggression. We will trade when it is to our political and economic advantage to do so, having regard to our obligations to our friends and allies as well as to ourselves. That policy seems to me to make sense. The iron curtain, let us not forget, is theirs, not ours. There is, in fact, much to be said for the view, stated in New York on Friday last by Senator Brian McMahon, that instead of lowering a curtain of our own, we should try to cut windows in the other fellow's.

"We are confronted with a particularly delicate problem in the application of this policy to our trade with the People's Republic of China. Canada has had traditional relations of friendliness with the peoples of the great land mass of China and we greatly regret the rift that has developed in the past two years between China and Canada and the other countries of the free world. Since the Korean conflict began, this rift has become deeper and wider because of the aggressive intervention of the Peking Government in that conflict and its attitude towards our nationals in China.

At this moment our own troops, together with other forces of the United Nations, are fighting Chinese troops who are defying the United Nations and contesting the right of the Koreans to decide for themselves the form of their own government.

"It is easy and natural to point to the United Nations casualty lists and, without further consideration, conclude that here at least the policies of partial peace are no longer applicable; that here, at least, we should adjust our thinking to a new and realistic situation and cut off all intercourse with the source of the military power we are now fighting. This quick verdict, however, does not take into account all the implications and long term effects which are involved. Let me dwell for a moment on some of them.

"The first point to bear in mind is that we are not in an all-out war with the People's Republic of China; we are engaged in a limited United Nations action to defeat aggression in Korea. If open and total warfare were to break out between China and the Free World, the conflict would be far bloodier even than it is today in Korea. It would, in all likelihood, spread to every corner of the earth and no human being would be safe from its devastation. This is the disastrous outcome we are striving to prevent and it means, I submit, that we must ourselves take no avoidable - I emphasize the world avoidable - step in our relations with the Peking regime which would bring it about. This is not a policy of weakness but of wisdom; nor should it be applied in a weak or appeasing way. It is - as I see it - a policy based on a cool and careful calculation of the strength, the purposes and the policies of the people we are up against, and of our own.

LONG-TERM RELATIONSHIP

"The leaders of the People's Republic of China are taking grave risks with all-out war these days but that does not necessarily mean that they wish deliberately to extend the conflict in Korea. They have before them a stupendous task of restoring the economy of their vast country which has been shattered by warfare over many years. It may be that in the future they will come to realize that hostility to the Western World will hold back that restoration, while mutually advantageous trade may become, in time, a basis for a peaceful long-term relationship, the sort of relationship we still wish to have with the Chinese people; the sort of relationship, I am sure, that the Chinese people would wish to have with us if their communist leaders would permit it. We should be careful before we take steps which may finally remove the possibility of any such basis.

"It is obvious of course that many of the products that would be useful for the development of China are also of strategic importance. Consequently, it is out of the question that these should be sent there under the present

circumstances. Long before the United Nations resolution was passed last month prohibiting the export of certain strategic materials to the mainland of China, Canada had been enforcing such a policy adjusting the list of such goods as the situation in Korea required, and after consultation, particularly, with our friends in Washington. We have also done our best to ensure that not only should these goods not go from Canada, but that our country should not become a backdoor through which United States firms would trade with China in contravention of their own country's regulations.

"All this, however, does not mean that we have cut off every form of trade with the Chinese people. My own view is that we should not allow our commercial policy toward China at this time to become more stringent than our overall foreign policy toward her, and that we should not seek to put a complete embargo on all trade with her, unless the policy of the Peking Government gives us no alternative in the matter.

"In supporting this policy I do not ignore the natural feelings of our soldiers, sailors and airmen now fighting in Korea, who, in battle, would not enjoy the thought that their own countrymen were engaged in trade - even if it were only an exchange of pig bristles for mouth organs - with the countrymen of their enemy on the next Korean hillside. I should like to make it quite plain that the only defensible government objective in continuing such trade would be to maintain the hope of preventing a disastrous spread of the present conflict which would involve a very much larger number of our people. If that hope were removed, then, of course, every commercial contact would have to go too...."

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COMBATING COMMUNISM: Addressing the students at St. Patrick's College, Ottawa, on June 3, the Secretary of State for External Affairs, Mr. Pearson, declared that in seeking a solution for our problems -- political and personal -- "the beginning of wisdom lies in straight and honest thinking." He added, in part:

"This counsel is particularly important, I think, in considering what should be our policy in the struggle with Communism. That struggle is being waged throughout the world by free men in many different places and in many different ways. There can be no reserve in our commitment to take part in it by every effective means in our power. The narrow and mechanical and reactionary ideas in which it is rooted have produced, as one might expect, an inhuman and tyrannical society which is attempting, by propaganda, by subversion and now by military aggression, to crush out other

societies throughout the world. We must be eternally vigilant in opposing its claims and in resisting its encroachments.

"Yet, it would, I think, be a mistake to believe that we can or should attempt to defeat Communism, as such, by military force. Among other things, Communism is an idea - a dangerous and noxious idea. But no idea, however harmful or mistaken, can be killed by bayonets - or even by an atomic bomb. As an idea, it must be resisted by intellectual and spiritual weapons, and also by removing the economic and social conditions of poverty and misery and injustice in which it finds such favourable ground. Only when Communism takes up arms to serve the purposes of aggression, is it our duty to band together, with other countries which also cherish freedom, in collective military action against it...."

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FUTURE OF TRADE FAIR: The official announcement that the Canadian International Trade Fair would be held again in 1952 came with a reminder that the continuance of the Fair beyond that point would depend largely upon the support of Canadian industry.

Speaking for the Minister of Trade and Commerce, Mr. Howe, Glen Bannerman, Director of the Canadian Government Exhibition Commission, said: "It is felt that if the Trade Fair is to serve fully the purposes which the Government had in mind when the Fair was organized, the future of the Fair requires a broader and more complete representation of Canadian industry. The continuance of the Fair beyond 1952 will be largely contingent upon realization of the hope that with an easing of foreign import restrictions, next year's Fair will succeed in attracting wider and more varied participation by Canadian manufacturers and other producers".

Mr. Bannerman mentioned that the Fair, which ended its two-week run June 8, had been in many respects the most successful since it was first organized.

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GOVERNMENT PUBLICATIONS: The following is a selected list of Canadian Government publications received by the Library of the Department of External Affairs in May, 1951:

Department of Agriculture: Annual Report of the Forest Insect Survey, 1950. Pp.123.

Dominion Bureau of Statistics: National Accounts, Income and Expenditure. Revised preliminary, 1950. Pp.15.

Department of Citizenship and Immigration: Report of Indian Affairs Branch for the fiscal year ended March 31, 1950. Pp.88.

Department of Labour: Canada and the International Labour Organization, by Edith H. Hardy, Executive Assistant, International Labour Organization Branch. 1951. Pp.55.

IN THE HOUSE OF COMMONS

OFFER OF WHEAT TO INDIA: The following statement concerning Canada's offer of wheat to India was made in the House of Commons on May 30 by the Secretary of State for External Affairs, Mr. Pearson, in reply to a question by Mr. Gordon Graydon, Progressive Conservative, Peel:

"As the Committee knows, some weeks ago, when this matter was brought to our attention as a Government, we indicated to the representative of the Government of India that we would be in a position to make available to the Government and the people of India low-grade wheat, No. 5 and No. 6, which was the only wheat at that time in our possession. That wheat would have been given to India as part of our contribution under the Colombo plan.

INDIAN GOVERNMENT'S VIEW

"The reason we made that offer in that way at that time has, I think, already been given to the House. The Indian Government, at that time indicated that they would prefer not to accept the offer, because they had some doubts as to the advisability of wheat of that type getting into their rationing system. They thought that it might create misunderstanding thereby, and indicated that they would prefer to wait until better class wheat would be available from the next harvest. However, subsequently, we got in touch again with the acting Indian High Commissioner in Ottawa, and with the Indian Government through our representative in New Delhi, to inquire whether the Indian Government would be inclined to receive as a gift--quite apart from anything we might do under the Colombo plan--a contribution of the only wheat which was available to us. We thought that if it were given in that form, it might be used as famine relief exclusively. It could go into the famine areas, be given to those suffering from famine, would not be included in the ration and might not create the difficulties that the Indian Government had previously mentioned....

"We first inquired whether that procedure would meet with the wishes of the Indian Government. I think it was only yesterday, or at least a day or so ago, that we received information from the Government of India to the effect that while they greatly appreciated an offer of this kind, they would still prefer to wait until wheat of a better quality might be available. Possibly one reason for the stand they took at this time was an arrangement which they informed us they had been making with neighbouring countries, for the supply of additional quantities of rice which they hoped would tide them over the period of greatest danger. They had also been making arrangements for food supplies of other kinds from neighbouring countries. In the circumstances,

therefore, they thought that possibly they would suspend any decision on our offer of a gift of No. 5 or No. 6 wheat. Meanwhile we have been canvassing the situation in Canada as to whether other kinds of food might be available for Indian famine relief, in particular special health foods."

Mr. M.J. Coldwell, C.C.F. Leader: "Canned milk or dried milk?"

Mr. Pearson: "Dried milk is one of the types of food we have been looking into. That matter is still under active consideration. We have also made some inquiries as to whether it would be possible to divert to India from other customers better grades of wheat which could be replaced to those customers later on when the new crop becomes available in Canada. Those matters are still under consideration.

"I therefore think I can say, Mr. Chairman, that we have not lost sight of this matter and that we are attempting to do what is possible to show in a practical way our good will to the people of India in the extremely difficult situation which faces them."....

PROBLEM OF USAGE

Mr. Coldwell: "In view of the misunderstanding as to why India would not accept low-grade wheat, would it be possible for the Minister to tell the Committee why it is that flour extracted from these low-grade wheats is unsuitable for the type of bread that is used in rural India? I think there is a misunderstanding in the country. I have heard people ask this question: Why will they not accept No. 5 and No. 6 wheat? I believe the real explanation is that such flour as can be extracted, such as it is, cannot be used in the type of flat cake bread baked over an open fire that is commonly used in the rural parts of India."

Mr. Pearson: "I am not an authority on this matter. Maybe my friend the Minister of Agriculture knows more than I do about baking bread in India. But I am informed that the wheat which we might have sent would have been converted by the consumers in India to a 98 per cent extraction flour, known, I think, as atta, and from that into a loaf called chapatis, and that this particular kind of wheat which we would have sent to India would not lend itself to that kind of treatment. We are also informed that if it had gotten into the ration in the ordinary way, it would have resulted in a kind of product to which the Indians were not accustomed, and this might have created some misunderstanding. There is a technical explanation for the attitude of the Indian Government in this matter; and of course we do not criticize them for that attitude."

"THE PARTNERSHIP TO UPHOLD FREEDOM"

PRIME MINISTER'S ADDRESS: The following are excerpts from the Commencement Address entitled, "The Partnership to Uphold Freedom," delivered by the Prime Minister, Mr. St. Laurent, at Northwestern University, Evanston, Ill., on June 11;

"There is no short and easy way to make the world free or even to make our own freedom secure. It may well be that the greatest of all the dangers we face - greater even than the danger from Russia or from China - is the danger of listening to those who think they have a quick and easy solution to this terribly difficult problem.

"There is a great temptation to say: Communist Imperialism is an evil thing bent on extinguishing freedom in the world. Let us extinguish it first. Let us get it over with. That temptation will grow greater as the military strength of the free world increases.

"This danger is all the greater because acts of communist aggression like that we are now opposing in Korea inevitably arouse strong feelings and a natural inclination to use our growing strength to hit back at the very source of the trouble.

"But statesmanship does not consist in yielding to impulses, however righteous, without reckoning the consequences. To hit back now at the source of the trouble is to start a world war. And that is what we are trying to prevent.

"Ambassador Philip Jessup has said that 'the United States will fight, if necessary, to preserve freedom and justice, but it will not make war merely because the road to peace is inevitably long and hard and tiresome'. That I believe is the right attitude for all free nations.

"I am personally convinced that our greater industrial strength, our greater initiative and know-how and the greater moral resources of free peoples would enable us to win a world war if such a war got started. But I am just as firmly convinced that the wholesale and appalling destruction of human lives and - perhaps even worse - of the institutions of civilization so patiently built up over the centuries, would set back human progress for generations, and possibly for centuries....

"In the North Atlantic alliance, and in the resistance we are offering to aggression under the flag of the United Nations in Korea, the United States and Canada are engaged with a number of other nations in a partnership not to dominate others, but to uphold freedom in the world. In that partnership history and geography have combined to make the United States, inevitably, the predominant partner.

"Of course, the success of any partnership depends upon the understanding and good will of the partners towards one another. In every successful partnership; each of the partners

has to be prepared to overlook what he may regard as imperfections and shortcomings in the other partners, and to make the best of what each is able to do. This partnership is no exception. It would be easy at times to get worked up about whether others are doing their full share; but that, I am sure, would be the quickest way to destroy the common effort.

"We must recognize that the very essence of freedom is variety and that, even in a partnership, free nations cannot be expected, all of them, to make their efforts in the same way nor to use the same methods. We in North America are so much more fortunate, in a material sense, than other nations that we must expect to contribute more proportionately from our abundance than can be expected from those of our partners who are still recovering from the dislocation and destruction of the last war which affected them much more deeply than it affected us.

"We must realize, too, that even with a maximum of good-will the partners in an alliance like ours can never be expected to see eye to eye on every question that arises. There will inevitably be differences, debates, perhaps even misunderstandings.

"Our Canadian Secretary of State for External Affairs said in a recent speech about Canada and the United States: 'We have the right to disagree, as friends. We also have the obligation to resolve these disagreements, as friends, and with a minimum of fuss and disturbance. This has not always been easy in the past, and is not going to be always easy in the days ahead, but our friendship will, I know, stand the challenge of the trials and turmoil of our time.'

"As Mr. Pearson said, there is no question that the friendship of Canada and the United States will stand that challenge. But we must take even greater care to see that the wider partnership of the free nations is able to meet the challenge of these difficult times. Because there are bound to be some, in every country who, from time to time, will say it is better to go it alone and take the consequences. That, I believe, is another of the great dangers to our partnership for freedom...."

The Prime Minister said that we were not merely facing a test of material strength. We were also engaged in a struggle for men's minds, and in that struggle, military strength was only one of the elements.

"We must re-arm," he said, "but we must also find the means to maintain and develop the measure of social justice we have already achieved in our own countries, and we must continue to work for the extension beyond our countries of that basic human equality which is the hallmark of a genuine free society...."

"...we cannot afford to overlook...those vast areas in Asia and in Africa, and even in parts of this hemisphere, where under existing economic conditions mass poverty prevails and where it is quite useless to preach the abstract advantages of freedom to men and women who are starving or half-starved..."

* * * *

UNESCO DELEGATION: The Secretary of State for External Affairs, Mr. Pearson, announced on June 12 that the Canadian delegation to the Sixth Session of the General Conference of the United Nations Educational, Scientific and Cultural Organization (UNESCO) will be as follows:

Chairman of Delegation - Dr. Victor Doré, Canadian Minister to Switzerland; Vice-Chairman - E. D'Arcy McGreer, Chargé d'Affairs, Canadian Legation, Poland; Delegates - Dr. W. Kaye Lamb, Dominion Archivist; W.P.J. O'Meara, K.C., Assistant Under-Secretary of State; Alternate Delegate - L.A.D. Stephens, Second Secretary, Canadian Embassy, Netherlands; Adviser - A.B. Hockin, Department of Finance; Adviser and Secretary - J.E. Thibault, Department of External Affairs.

The Conference will be held in Paris from June 18 to July 11, 1951. It will consider the functions of the Executive Board, a number of administrative questions, and the programme and budget of the Organization.

Mr. O'Meara will also be attending a meeting of copyright specialists to be held concurrently with the Sixth Session of the General Conference.

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RECORD WOODS OPERATIONS: The Minister of Labour, Mr. Gregg, stated on June 11 that summer cutting operations in the woods this year were likely to reach an all time high.

The Minister said that stockpiling in 1948 and 1949 had resulted in a smaller cut during 1950, but with an increasing world demand for newsprint and lumber, woods operators had expanded cutting activities to such an extent that there were almost twice as many workers employed in woods work now as there were at the same time last year.

While exact figures were unobtainable due to the hundreds of small cutting operations that were not recorded, it was estimated that there were at least 75,000 workers at present employed in woods work, said Mr. Gregg. The majority of these people were engaged in pulp cutting operations.

* * * *

95 SURVEY PARTIES: Topographical mapping of areas throughout Canada totalling over 150,000 square miles forms the major part of an extensive programme of field work to be carried out this year by the Surveys and Mapping Branch, Department of Mines and Technical Surveys.

Sixty-three of the 95 parties being placed in the field have been assigned to this work, eleven of which are being provided by the Army Survey Establishment of the Department of National Defence.

* * * *

COMMONWEALTH DIVISION FLASH: Canadian troops in Korea will shortly take down from their right sleeves the distinctive Canadian-United Nations flash of the 25th Infantry Brigade Group and replace it with the new and equally distinctive flash of the First (Commonwealth) Division, United Nations Forces, the Minister of National Defence, Mr. Claxton, announced on June 8. The Canadian Brigade flash -- red shield with the word "Canada" in gold and gold maple leaf set within the white United Nations laurel leaves -- will continue to be worn on the left sleeve.

Each of the Commonwealth countries involved, Mr. Claxton said, has agreed to the design of the new flash, and it is now being manufactured in the United Kingdom. Supplies should be ready for issue in about three weeks. It is described as "a gold crown on white background with the word 'Commonwealth', also on white background, written horizontally under the crown, the whole mounted on a blue shield of dimensions three inches by two and one-half inches. The blue is that used for the United Nations flag."

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MONTH'S RECRUITMENT 6,671: In the first full month of operation, the Canadian Army's recruiting campaign, aimed primarily at raising troops for the 27th Canadian Infantry Brigade Group, a total of 6,671 officers and men were actually enlisted.

Pleased with the steady day-by-day progress of the campaign, Army recruiting officials said this total represents approximately the basic requirement for the brigade as set out earlier by the Minister of Defence, Mr. Claxton. But the campaign, they emphasized, will continue indefinitely. Nearly the same number of men are required for the brigade's replacement group.

* * * *

"VOICE OF CANADA" IN RUSSIA: Last week Russia heard about Canada's International Trade Fair. For the first time since the Fair began in 1948, the C.B.C. International Service was able to beam broadcasts about the show through the Iron Curtain in the Soviet's own language, according to Trade Fair officials.

For this Fair, as well as for previous ones, the C.B.C. provided broadcasts in Czech, Slovak and German for Iron Curtain countries such as Czechoslovakia and the Soviet Zone of Germany. Now, with the inauguration of a Russian-language service a few months ago, the "Voice of Canada" is able to reach the people of the U.S.S.R. directly.



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WEEK'S EVENTS IN REVIEW

MASSEY COMMISSION REPORT: A quickening and enrichment of the whole spirit and content of Canada's cultural activity, by fostering institutions "which express national feeling, promote common understanding and add to the variety and richness of Canadian life" is proposed in the Report of the Royal Commission on National Development in the Arts, Letters and Sciences, tabled in the House of Commons on June 1 by the Prime Minister, Mr. St. Laurent.

The Chairman of the Commission responsible for the preparation of the 200,000 word document is the Right Honourable Vincent Massey, Chancellor of the University of Toronto. Other members are: Mr. Arthur Surveyer, Civil Engineer, Montreal; Mr. Norman A.M. MacKenzie, President, University of British Columbia; Most Reverend Georges-Henri Lévesque, Dean of the Faculty of Social Sciences, Laval University; and Miss Hilda Neatby, Professor of History and Acting Head of the Department, University of Saskatchewan.

Outstanding among the recommendations is the proposal to create a new body known as "The Canada Council". Its task and purpose would be three-fold: (a) to encourage voluntary activity in the arts, letters and humanities, and to serve the social sciences in some such fashion as the National Research Council assists the natural sciences and the technical crafts; (b) to act as the National Commission called for by Canada's signature to the UNESCO constitution; and (c) to foster and promote

Canada's cultural relations with other countries.

Described in the Report as "the greatest single agency for national unity, understanding and enlightenment", the Canadian Broadcasting Corporation, say the Commissioners, should continue to be "the single authority" in which control of the national system is vested, "and continue to provide directly by its operations and indirectly by its control of the operations of others a National Radio Broadcasting service free from partisan influence".

Mr. Arthur Surveyer, Commission member, signed the Report with his colleagues. He made, in a supplementary statement, reservations on three subjects, the most important of which was to create a new Control Board over broadcasting and television.

The same considerations which led the Commissioners to recommend the continuation of a national system of radio broadcasting seemed to them "to dictate much more strongly and urgently a similar system for television." A national system with provision for private stations, they say, may be indicated, as in radio, but certain special precautions may be needed in television to offset the threat of "excessive control" of the advertising sponsor. The Commissioners approve of the interim government policy now in force. They urge that the direction and control of television be vested in the Board of Governors of the C.B.C. as now, and that the Board proceed to develop

(Continued on p. 3)

CANADA AND FRANCE SEEK TO INCREASE TRADE

DISCUSSIONS SUCCESSFUL, MINISTER REPORTS:

The Secretary of State for External Affairs, Mr. Pearson, announced on June 1 the successful conclusion of the three-day meetings of Canadian and French delegations on trade and financial matters.

The delegations reviewed together the recent trends of trade and balances of payments between the two countries and noted with satisfaction that a better balance was developing in the trade situation especially as a result of recent increases in French exports to Canada. The possibilities of increasing normal trade in both directions were explored, and the French delegation explained that they were making special efforts to meet Canadian import requirements by means of trade missions, market surveys, and other means.

Special attention was paid to the satisfactory trade agreement recently reached between the two countries during the multilateral tariff negotiations at Torquay, and there was a preliminary exchange of views as to the possibility, at some appropriate time in the future, of further tariff negotiations between the two countries.

In connection with the general aim of increased trade between the two countries, which is facilitated by tariff reductions, the Canadian delegation noted with pleasure that, only last week, the French Government had been able to relax its restrictions against imports from Canada by allowing their own exporters to dollar areas to use a substantially greater part of their dollar earnings for purchases from those areas.

A suggestion was put forward, and welcomed by both sides, that trade might be further

encouraged by a group to be formed by leading French and Canadian exporters. This possibility is being explored immediately.

There was detailed discussion of the possibilities of further trade in scarce commodities. The French delegation were anxious to obtain larger supplies of base metals and forest products from Canada, especially pulp and paper. Similarly the Canadian side explored the possibility of obtaining more steel and other products from France and French overseas territories.

Discussions were held which are expected to facilitate the release of those French assets which still remain vested in the Canadian Custodian.

The conversations took place in a most cordial atmosphere. The following officials took part: The delegation from France was led by Mr. Pierre Charpentier, Director-General of Economic Affairs, Ministry of Foreign Affairs. It also included Mr. Gibert, Director of the Ministry of Economic Affairs, Mr. Bizard, Inspector of Finance, Mr. Flandin, Ministry of Economic Affairs, Mr. Bulteau, Ministry of Industry and Commerce, and Mr. Dauge, Ministry of Foreign Affairs. The Canadian delegation was led by Mr. W.F. Bull, Deputy Minister of Trade and Commerce, assisted by Mr. Denis Harvey and Mr. C.M. Isbister of the same Department. It also included Mr. John Deutsch, Director, International Economic Relations Division, Department of Finance, and Mr. A.F.W. Plumptre, Head of the Economic Division, Department of External Affairs.

Further discussions will take place as required to continue and extend the useful work already done.

* * *

MR. NORMAN ACTING PERMANENT UN DELEGATE:

The Department of External Affairs announced on May 31 that E.H. Norman will replace J.W. Holmes as Acting Permanent Delegate of Canada to the United Nations in New York. Mr. Holmes, who was sent to New York to replace the late R.G. Riddell on a temporary basis, will return to Ottawa prior to taking up his appointment on the directing staff of the National Defence College, Kingston.

Mr. Norman was born on September 1, 1909, and attended the University of Toronto and Cambridge University. He was awarded a three-year Rockefeller Foundation Fellowship; he received the degrees of M.A. and Ph.D. at Harvard Yenching Institute, Harvard University. He also did research on Japanese history at the Institute of Pacific Relations, New York.

Mr. Norman joined the Department of External Affairs at the Canadian Legation in Tokyo in July, 1939; he was interned in Japan from December, 1941, to July, 1942; and returned to Ottawa to engage in Far Eastern work in April,

1943. He was posted to Toyko as Head of the Canadian Liaison Mission in August, 1946; and returned to Ottawa in the autumn of 1950 as head of the American and Far-Eastern Division.

* * * *

IMPORT CONTROL ORDER: The Minister of Trade and Commerce, Mr. Howe, announced on June 2, that, due to the world shortage of certain raw materials, and in accordance with Canada's international obligations, the following items have been placed under import control, effective May 30, 1951, under Order in Council P.C. 2757: Shearlings (untanned sheepskins or lambskins with up to one inch of wool), and sulphur and brimstone (crude or in roll or flour).

An import permit is required for all purchases of shearlings in the United States, but purchases from other countries are unaffected. This control was imposed at the request of the United States, in order that Canadian purchases in that country may be kept within agreed limits.

(Continued from p. 1)

MASSEY COMMISSION REPORT

a national system and coverage using all available means.

The work of the National Film Board should be developed and expanded, say the Commissioners, reporting that they had "received convincing evidence that the work of the Board is in general acceptable to the Canadian people." They reject the views of some private producers that the National Film Board should retire from the field of production of both films and stills. More attention should be paid, they think, to French-language films. Additional library and procurement services are recommended.

In an examination of the forces of geography affecting Canada, the report said that United States institutions have impressively contributed to the advanced training of our young men and women of promise. "There are few Canadian scholars who do not belong to one or more of the American learned societies."

Moreover, "we benefit from vast importations of what might be familiarly called American cultural output." We import newspapers, periodicals, books, maps, endless educational equipment, artistic talent, recordings, films.

These United States donations and exports are good in themselves, it is granted: have they always been good for Canadians? "We have not much right to be proud of our record as patrons of the arts." Have we learned, wrongly, from our neighbour an unnecessary dependence on the contributions of the rich? Many Canadians go abroad on scholarships: how many do we offer in Canada to foreigners? Have we been tempted by too easy a benevolence?

OUR STUDENTS IN THE U. S.

In short, what price have we paid for this easy dependence on charity, the Commissioners ask? Many of Canada's best students complete their studies at U.S. institutions -- and remain in that country. "In consideration of American generosity in educating her citizens, Canada 'sells down south' as many as 2,500 professional men and women in a year". Nor is this all. "Canada by her too great dependence on American fellowships for advanced study, particularly in the humanities and social studies, has starved her own universities which lack not only money but the community of scholarship essential to the best work."

Our cultural dependence on our near neighbours is much greater than most Canadians realize. In bibliographical aids, in advanced library training, in certain graduate studies, in advanced teacher training, in text book and supplementary educational material, the reliance is acute.

"How many Canadians realize that over a large part of Canada, the schools are accepting tacit direction from New York that they would not think of taking from Ottawa?" This state of affairs "has caused an uncritical

acceptance of ideas and assumptions which are alien to our tradition. But for American hospitality we might, in Canada, have been led to develop educational ideas and practices more in keeping with our own way of life." And, in certain subjects, "because we have left the whole field to our neighbour, our own special needs are not supplied."

The Commissioners examine some effects of our large imports of cultural material, in the form of concerts, films, radio programmes and periodicals. Concert tours are good in so far as they enable Canadians to hear eminent artists in the musical world. But, to hear the recognized artists, subscribers must also support many who are unknown and who could not compete with Canadian talent if they were not supported by such powerful organizations as Community Concerts. "The unfortunate Canadian artist to get placed must go across the line, not the most happy solution for him or for his community."

The flood of U.S. periodicals creates serious publishing problems here. Canadian magazines with much difficulty have achieved a circulation of nearly 42 millions, compared with a United States circulation in Canada of over 86 millions. "Canada is the only country of any size in the world whose people read more foreign periodicals than those published in their own land -- local newspapers excluded." This assertion is quoted in the Report from the submission of a member of the Periodical Press Association.

"FORCES OF GEOGRAPHY"

The Commission sums up its section on "The Forces of Geography" as follows: "American influences on Canadian life to say the least are impressive. There should be no thought of interfering with the liberty of all Canadians to enjoy them. Cultural exchanges are excellent in themselves. They widen the choice of the consumer and provide stimulating competition for the producer. It cannot be denied, however, that a vast and disproportionate amount of material coming from a single alien source may stifle rather than stimulate our own creative effort; and, passively accepted without any standard of comparison, this may weaken critical faculties." Canada has the elements of a vigorous and distinctive national culture. "We have made important progress, often aided by American generosity. We must not be blind, however, to the very present danger of permanent dependence."

The following is a summary of the main recommendations:

Radio Broadcasting: Annual radio-receiver license fee of \$2.50 to remain unchanged.

C.B.C. continue to control national and private broadcasting with an enlarged Board of Governors for wider representation.

No private station to operate as part of a network without C.B.C. permission, as at present.

Private broadcasters, affected by final decisions of the C.B.C., to be granted right of appeal to courts against any substantial miscarriage of justice.

C.B.C. to refuse local commercial advertising except where no private station available.

C.B.C. to refuse all commercial programmes not acceptable in content and to consider eliminating some of the "less desirable commercial programmes now carried."

Establishment of a second C.B.C. French network and a C.B.C. French-speaking station for the Maritimes.

Television: Control and direction of television to remain with C.B.C., which is to continue with plans for telecasting.

No private TV stations to be licensed until C.B.C. has national programmes available; private stations to be required to serve as outlets for C.B.C. national programmes.

Capital costs of C.B.C. telecasting to be voted by Parliament; license fee to be recommended by C.B.C.

C.B.C. to exercise "strict" control over all TV stations "to avoid excessive commercialism and to encourage Canadian content and the use of Canadian talent."

Telecasting in Canada to be reconsidered by an independent body not later than three years after the start of regular service.

National Film Board: Board to be granted funds adequate for necessary expansion of field staff and distribution activities.

Board to maintain a national film collection as an historical record of events of national importance.

Board to continue to produce such documentary films and still photographs as will serve public interest.

Board to produce no films for private persons or companies.

National Gallery: Gallery to be housed as soon as possible in a new building with adequate facilities for display, storage, repair and other work.

Present appropriation for new art purchases be maintained and increased when possible.

Present services of travelling gallery exhibitions to be developed and extended.

Necessary increases to be made in funds, staff and facilities for extended services.

National Museums: National Museum of Canada to be given adequate space and facilities for preservation and display of exhibits; name to be changed to "The Canadian Museum of Natural History."

Museum to be given adequate funds for its functions and for general educational services.

Establishment of a new museum, to be called "The Canadian Historical Museum," to ensure illustration of the history and development of Canadian peoples from earliest times.

Establishment of a Canadian Museum of Science to illustrate Canadian contributions to this field.

Establishment of a National Botanical Garden in Ottawa; federal Government to assist in establishment or support of botanical gardens in other Canadian climatic regions.

Establishment of national zoological garden or gardens.

Federal Government to consider establishment of a national aquarium or national aquaria in suitable regions of Canada.

Federal Libraries: A National Library to be established without delay.

The library to acquire a complete collection of all works published in Canada, of all works on any subject by Canadians and of all works by any author on a Canadian theme.

The library to add to its collection Canadian music and such records, films and photographs considered necessary to supplement printed collection of books, pamphlets and newspapers.

Public Records and Archives: Present public archives premises to be expanded.

Action to be taken to discover and list all important collections of historical material relating to Canada.

Historic Sites and Monuments: Historic sites and monuments board to undertake "much more" comprehensive programme.

Greater emphasis to be placed on restoration and preservation of historic sites and buildings.

Markers to be used on sites of important historical interests where no buildings or other evidence survive.

Federal Government to suggest provincial legislative action to protect historic sites and buildings now in private hands.

Aid to Universities: Federal Government to make annual contributions to support work of universities on the basis of population in each Province.

New Council on Arts: Establishment of a body to be known as the Canadian Council for Encouragement of Arts, Letters, Humanities and Social Sciences.

Council, to have 15 members, to stimulate and to help voluntary organizations with those fields and to foster Canada's cultural relations abroad.

National Scholarships: National scholarships now awarded through the National Research Council and other Government departments to be reviewed to avoid duplication.

Federal Government to give the proposed Council on Arts funds for scholarships, studentships and bursaries for post-graduate students of Canadian universities in humanities; social sciences and law.

Establishment of fellowships, to be known as "The Canada Fellowships," for encouragement of mature and advanced work in humanities, social sciences and law.

Establishment of a system of exchange scholarships for scholars and graduate scholars from other countries.

IN PARLIAMENT THIS WEEK

DEFENCE CONFERENCE: The following statement concerning Canadian representation at a conference of Commonwealth Defence Ministers in London on June 21 was made in the House of Commons on May 31 by the Prime Minister, Mr. St. Laurent:

"The Government of the United Kingdom has today issued the following announcement, but with the restriction that it is not to appear in the newspapers until tomorrow morning. Those newspapers will be published within a few hours after the time I make the announcement here. The announcement is as follows:

'It has been agreed to hold a conference of Defence Ministers from the United Kingdom, Australia, New Zealand, South Africa, and Southern Rhodesia. The Ministers have decided that London will be a convenient meeting place and the conference will open there on June 21. It will consider certain defence problems arising in regions of common concern to these countries including the Middle East and also consequential questions of equipment and training which are of mutual interest to them. Canada will be represented at the conference by an observer.'

"That is the end of the announcement to be made in London. The desirability of holding such a conference was discussed on the occasion of the meeting of Commonwealth Prime Ministers in London last January. It was then the feeling of the Governments of the United Kingdom, Australia, New Zealand, South Africa and Southern Rhodesia that it would be helpful to hold a conference of the Defence Ministers of those countries to consider problems arising in regions of special concern to them, including the Middle East.

"Canada has, of course, special and direct defence responsibilities in the North Atlantic region. Our interests in the regional defence

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(Cont'd. from p.4) **MASSEY COMMISSION REPORT**

Grants be made available for persons engaged in arts and letters, including broadcasting, film and press, for work and study either in Canada or abroad.

Similar grants be made to artists, musicians and men of letters from abroad to study in Canada.

Scientific Research: Study be made of all federal research activities with a view to co-ordination, co-operation and avoidance of duplication.

Information Abroad: C.B.C. International Services to be continued and expanded.

Film Board to be provided with funds to increase its distribution abroad.

The Department of External Affairs to increase its staff of press and information officers in posts abroad.

problems which will be under discussion at the forthcoming conference are less direct than those of the other Commonwealth countries which will be represented there. The Government has accordingly decided that it would be appropriate to be represented at the conference by a civilian and a military observer. Our position in this respect is fully appreciated by other Commonwealth Governments concerned."

OLD AGE PENSIONS: The Prime Minister, Mr. St. Laurent, announced in the House of Commons on June 4 that the Government had been informed of the passage by the United Kingdom Parliament of the amendment respecting old age security to the British North America Act. He then made a statement, part of which follows, about the Government's intentions regarding old age pensions:

"...it is proposed to introduce legislation at an early day to enable the Government to make agreements with the Provinces to provide old age security to persons in need between the ages of sixty-five and seventy, and to provide authority for the registration of persons over the age of seventy for the universal old age pensions. That legislation would probably also at the same time provide for the continuance of federal assistance in the payment of pensions to the blind.

COMMENCING JANUARY, 1952

"The Government wishes to be in a position to commence payment of the universal pension beginning with the month of January, 1952, and we wish also to have our legislation respecting the age group sixty-five to sixty-nine ready for implementation effective in January, 1952, in any of those provinces which will have signed agreement with the federal Government for that purpose.

"The administrative plans for the application of this new old age security programme are already going forward. Registration forms with respect to the universal pensions plan are being prepared, and it is proposed to have the necessary supplies of these forms printed within the next few weeks. A small amount of additional staff will very shortly be recruited to deal with applications for the universal pensions which will be administered by the federal authorities.

"Arrangements are now being discussed with the various provincial governments to take from their present old age pensions records the information which will be required to pay the universal pension after January 1, 1952, to the approximately 300,000 persons now receiving old age pensions under the previous legislation. For these persons, no additional applications for the universal pension will be required.

"The Government wishes to be in a position to commence, as soon as possible after July 1, registration of the others--probably some 400,000 persons--seventy years of age and over who are not at present receiving old age pensions....

"So far as the legislation to provide for the universal contributory old age pension is concerned, the Government has come to the conclusion that, in the light of the heavy load of work already before Parliament at this present session, it would not be appropriate to ask Parliament to deal with this new and important legislation during the next few weeks....

"If the universal contributory old age pension measure were the only legislative proposal which would remain for consideration, the Government would be disposed to ask Parliament to continue to sit in July until it had been enacted, in the hope that it would not be necessary for Parliament to meet again in the present calendar year. But that is not the situation. In addition to the universal old age pensions legislation, there are a number of important measures under consideration some of which arise out of the report of the Royal Commission on Transportation. In that regard it is the intention of the Government to recommend to Parliament the implementation of the recommendations of the Royal Commission to the fullest practicable extent, and that will require many amendments to the present Railway Act....

MASSEY REPORT

"The Government in the course of the next few weeks will also have to give consideration to the recommendations of the Royal Commission on National Development in the Arts, Letters and Sciences....

"There are a number of other legislative proposals to which the Government has been giving thought....

"In view of all these considerations, the Government has come to the conclusion that it would be preferable to make an effort to complete the work now before the House, to conclude the present session as soon as is consistent with the proper dispatch of that business and to adjourn until the beginning of October, with the proviso that we can meet earlier if circumstances make an earlier meeting necessary. If an earlier meeting is not required by unforeseen circumstances, the Government would recommend the prorogation of the present session when we meet in October and the immediate commencement of the new Session. There would be plenty of public business--mainly legislative--to require a full Session, and we would propose to have the Session devoted exclusively to government measures, in the hope of over-taking all important arrears and starting with a clean slate in the regular session of 1952...."

MR. LEGER'S APPOINTMENT: The Department of External Affairs announced on June 6 the appointment of Mr. Jules Léger as Assistant Under-Secretary of State for External Affairs. Mr. Léger succeeds in this position Mr. Léon Mayrand who was recently appointed Canadian Ambassador to Chile.

Mr. Léger, who is now Head of the European Division will be succeeded in his present position by Mr. J.B.C. Watkins, who was until recently Chargé d'Affaires at the Canadian Embassy in Moscow.

Mr. Léger was born in 1913 at St-Anicet, P.Q. He was educated at the College of Valleyfield, at the University of Montreal, and at the University of Paris.

Mr. Léger joined the Department as Third Secretary in July, 1940. Shortly after his appointment to the Department, he was seconded to the Prime Minister's Office where he remained until 1943 when he was posted to the Canadian Legation, Santiago. He was transferred to the Office of the High Commissioner for Canada in London in January, 1947. On his return to Canada, in February, 1949, Mr. Léger was again seconded to the Office of the Prime Minister; he returned to the Department in August last year when he became Head of the European Division.

Mr. Watkins, who succeeds Mr. Léger in the European Division, was born in Norval Station, Ontario, in 1902. He attended the University of Toronto (B.A. 1926, M.A. 1927) and Cornell University, Ithaca, N.Y. (Ph.D. 1944). He was associated with the American-Scandinavian Foundation from 1930 to 1945. In 1945-46, Mr. Watkins was Associate Professor of English at the University of Manitoba. He was appointed to the Department in September, 1946. He was Chargé d'Affaires of the Canadian Embassy in Moscow from September 1, 1948, until March 10, 1951.

* * * *

27 MORE SHIPS FOR NAVY: The following announcement of additions to the existing programme of shipbuilding for the Royal Canadian Navy was made in the House of Commons on June 4 by Mr. R.O. Campney, Parliamentary Assistant to the Minister of National Defence:

"I wish to announce a substantial addition to the existing programme for the construction in Canada of ships for the Royal Canadian Navy.

"Orders have heretofore been placed for the construction of 27 vessels for the Canadian navy on which work is now proceeding. The estimated cost of these orders already placed is \$96,000,000.

"The additional orders now being placed total approximately \$60,000,000, and provide for the construction of 12 more ships. Included in these orders now being placed are seven destroyer escorts in addition to seven already contracted for; one loop layer; two steel crane lighters and two modified Norton class tugs...."



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DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

"THE PRICE OF PEACE": The following are excerpts from a broadcast on May 26 by the Secretary of State for External Affairs, Mr. Pearson, in a United Nations series entitled, "The Price of Peace":

"....Essentially, the mission of the United Nations in Korea is to defeat aggression, so that the lesson of that defeat may help to prevent a third world war. If the aggression in Korea had been allowed to succeed without any attempt being made to resist it, other acts of aggression against small countries on the borders of the free world would certainly have followed. The strength of the free peoples would have been eaten away piece-meal in accordance with the plans of the Politburo and the Cominform. Eventually, a stage would have been reached when the remaining countries which were still free and independent would have realized that they had either to wage war with fewer resources and with much slighter hope of success, or else be enslaved by communist Imperialism. Because they would certainly have chosen to fight, rather than to submit, a third world war would in those circumstances have been inevitable.

"To the infantryman slogging over the muddy paddy fields of Korea it may seem odd to say that his mission is to prevent a third world war. He may well be forgiven for not seeing

much difference between such a war and the bloody business in which he is engaged. That viewpoint must certainly command our sympathy. But we mustn't forget that a third world war would be very different from the campaign now being fought in Korea. It would be an atomic war which would result in the death of hundreds of thousands of people at one stroke and which would leave the earth pock-marked and infected with radio-activity for years to come. That is the night-mare which we are trying by every means in our power to avoid....

"But the courage being displayed by the United Nations forces in Korea may be in vain if the conflict there is enlarged and extended, and, especially if we bring on the very cataclysm which the United Nations action in Korea can help to prevent. It may be that in spite of all our efforts the catastrophe of a third world war will overtake us. In that case, let the responsibility for the anguish, devastation and anarchy which it will cause rest on other hands than ours.

"What, then, can we do? Is United Nations action in Korea to trickle away into the sands of futility and stalemate? I do not think so. If United Nations forces can continue to throw back the aggressors with heavy losses, and at the same time to avoid any measures which are not absolutely necessary from a military point

(Continued on p. 5)

CANADA-U.K. TRADE COMMITTEE: The Secretary of State for External Affairs, Mr. Pearson, announced on May 25 that the Canada-United Kingdom Continuing Committee on Trade and Economic Affairs had finished its meetings which started on May 21.

The meeting reviewed the changes in the world economic situation which had taken place since the previous meeting which took place in June, 1950, with particular reference to:

- (i) The pressure upon economic resources throughout the free world created by the defence programmes; and
- (ii) The fact that the United Kingdom is now independent of dollar aid from the United States and Canada for the support of its economy.

The Committee reviewed the balance of payments between the sterling area and Canada, with particular reference to the U.K. import programme from Canada for the year beginning July, 1951, which is estimated to be over fifty per cent higher in value than in the calendar year 1950. This represents a major change in the trend of U.K. imports from Canada which had been heavily reduced since 1947.

In the course of the examination, the Committee considered possible increased supplies from Canada to the U.K., particularly of raw materials, and the need for continuation of the U.K. export drive to Canada on which welcome progress had been made since the previous meeting.

There was a preliminary review of the programme of Canadian exports to the British West Indies. There will be further discussion after the U.K. has reviewed the situation in consultation with the British West Indies Governments concerned.

The members of the Continuing Committee will now report the results of the conversations to their Governments for consideration.

* * * *

STRIKE IDLENESS DECREASE: Time loss through work stoppages arising from industrial disputes in Canada during April, 1951, showed a marked decrease from the preceding month, and was the lowest recorded in the first four months of 1951, according to a monthly summary of strikes and lockouts issued on May 23 by the Department of Labour.

Preliminary figures showed 19 strikes and lockouts in existence during April, 1951, involving 2,647 workers with a time loss of 9,673 man-working days, as compared with 27 work stoppages in March 1951, with 4,754 workers involved and a time loss of 15,135 days. In April, 1950, there were 24 strikes and lockouts involving 2,869 workers with a time loss of 15,272 days.

COMMANDER, 27TH BRIGADE GROUP: Brigadier Geoffrey Walsh, CBE, DSO, CD, 41, formerly of St. Catharines, Ontario, and recently of Kingston, Ontario, has been named Commander of the 27th Canadian Infantry Brigade Group.

The new brigade Commander takes over the job with a wealth of experience in military life. He rose from a Lieutenant in 1930 to become Brigadier and Chief Engineer of the First Canadian Army in 1944.

Following the war he was given the task of organizing the Northwest Highway System in preparation for Canada's taking over the vital supply link from the United States. In 1948 he attended the first course at the National Defence College and then became Commander, Eastern Ontario Area.

Commanding officers of the four major units of the 27th Canadian Infantry Brigade Group were also named. They include Lt.-Col. John Keefer Mahony, 39, of New Westminster, B.C., former Director of Army Public Relations and the only Active Force officer holding the Victoria Cross.

The commanding officers and their appointments are:

Lt.-Col. John Keefer Mahony, VC, to command the 1st Canadian Infantry Battalion.

Lt.-Col. Edward William Cutbill, DSO, ED, 38, formerly of Niagara Falls and Hamilton, Ontario, to command the 1st Canadian Rifle Battalion.

Lt.-Col. Richard Lewis Rutherford, OBE, 35, formerly of Vancouver, B.C., and Kingston, Ontario to command the 1st Canadian Highland Battalion.

Lt.-Col. Marcellain Louis Lahaie, DSO, 37, formerly of Buckingham, Quebec, to command the 79th Field Regiment, Royal Canadian Artillery.

* * * *

WHOLESALE PRICES HIGHER: Wholesale prices rose to a higher level in April, the general index number, on the base 1935-39=100, standing at 242.2 as compared with 241.8 for March and 202.5 for April last year. There were moderate advances over the preceding month in five of the eight main sub-groups; and declines in three. The increases ranged between 0.5 points for vegetable products and 1.6 points for wood products.

The index number for wholesale farm product prices for April was 256.6, a decline of 7.6 points from March, but a rise of 25.3 points over April last year. The sub-group index for field product prices stood at 181.6 as compared with 181.2 in March and 194.7 a year ago, while the animal products index was 331.6 as against 347.2 in March and 268.0 in April last year.

NEW FOREIGN TRADE RECORDS

OVERALL IMPORT BALANCE: Canada's foreign commodity trade established several new records in March and the first quarter of the year. Commodity imports climbed to a new all-time peak value for the month, to boost the gain for the quarter more than 40 per cent over the previous high value for the period, while commodity exports were at a new high level for the month and for the quarter.

With heavy buying abroad of both producers' and consumers' goods, the rise in value of imports for the third successive month exceeded considerably the gain in the value of exports, resulting in an overall import balance of \$48,500,000 as against a small import balance of \$5,700,000 in March last year. For the first three months the cumulative import balance amounted to \$124,200,000 as compared to an export balance of \$7,500,000 for the like 1950 period.

GAIN OF 44 PER CENT

Merchandise imports in March were valued at the record figure of \$342,500,000, a gain of 44 per cent over the value of \$237,400,000 for March last year. Aggregate value for the quarter was \$943,900,000, a rise of \$294,400,000 or 45 per cent above the total for the first quarter of 1950 and 41 per cent higher than the previous first quarter peak of \$665,700,000 in 1949. A substantial gain in volume of goods as well as higher prices contributed to the sharp gains in the month and quarter. In the first quarter the volume of imports was about one quarter greater than in the same period last year.

Domestic exports to all countries were valued in March at \$290,200,000, up 27 per cent over \$228,200,000 a year earlier, and for the quarter showed a rise of 25 per cent at \$809,200,000 as compared to \$648,900,000 in 1950. Previous peak value for the first quarter of the year was \$768,100,000 in wartime 1945. Foreign exports in the month increased slightly to \$3,800,000 from \$3,500,000, and in the quarter to \$10,400,000 from \$8,100,000. Almost half of the rise of 25 per cent in the value

* * *

RECORD MINERAL PRODUCTION: Canada's mineral production rose to a new peak value of \$1,040,887,600 in 1950, exceeding by 15 per cent the previous high of \$901,110,000 in 1949, according to the preliminary annual report of the industry for the year released by the Bureau of Statistics.

Ontario accounted for 34.9 per cent of the all-Canada total in 1950, down slightly from the preceding year's proportion of 35.9 per cent. Quebec's output accounted for 20.9 per cent of the total, up from 18.3 per cent in

of domestic exports in the first quarter over the same period last year was due to a rise in the volume of shipments and almost as high as the volume in the peak periods of 1947 and the last quarter of 1950.

Sharply increased purchases from the United States accounted for most of the gains in imports in the month and quarter, but there were also sizeable increases in the value of imports from Commonwealth countries (except the United Kingdom in March), from Latin America, European and other foreign countries. In the case of domestic exports, the major part of the increase was also in shipments to the United States but there were gains as well to the United Kingdom, other Commonwealth countries as a whole, and to Latin American and European countries.

IMPORTS FROM U. S. RISE

Merchandise imports from the United States rose sharply in March to \$245,700,000 from \$160,900,000 a year ago, while domestic exports increased to \$190,200,000 from \$154,300,000 and foreign exports to \$3,100,000 from \$2,900,000. For the quarter, imports were valued at \$678,100,000 as against \$458,500,000 last year, and domestic and foreign exports totalled \$538,600,000 compared to \$420,400,000. There was thus an adverse balance of \$52,400,000 for March compared to \$3,700,000 a year earlier, and of \$139,500,000 for the quarter as against \$38,100,000.

Imports from the United Kingdom declined slightly in March to \$30,400,000 from \$32,700,000 last year, while domestic exports advanced to \$39,700,000 from \$30,100,000, resulting in a credit balance (including the small amount of foreign exports) of \$9,300,000 as compared to a debit balance of \$2,400,000 a year earlier. Total imports in the quarter increased in value to \$92,100,000 compared to \$84,200,000 in 1950, and total exports to \$113,600,000 compared to \$109,900,000, leaving an export balance of \$21,400,000 as against one of \$25,700,000 last year.

1949, but British Columbia's proportion was down from 15.1 per cent to 13.6. Alberta's percentage rose slightly from 12.6 to 12.9. The remaining provinces and territories accounted for 17.7 per cent of total mineral production as against 18.1 in the preceding year.

Output in Ontario in 1950 was valued at \$362,954,200 as compared with \$323,368,600 in 1949, Quebec \$217,665,100 compared with \$165,021,500, British Columbia \$142,135,200 compared with \$136,385,900, and Alberta \$134,597,800 compared with \$113,728,400.

IN PARLIAMENT THIS WEEK

ABOLITION OF FIAT: The following is the partial text of the speech by the Minister of Justice, Mr. Garson, in introducing in the House of Commons on May 28 the Bill to amend the Petition of Right Act, to permit a subject to sue the Crown without a fiat:

"Mr. Speaker, I think it may be fairly claimed that this Bill represents an important step in our legal history. As is well known, all legal proceedings by the subject against the Crown in the right of Canada must be taken in the Exchequer Court pursuant to the Exchequer Court Act and the Petition of Right Act. The latter of these two Acts requires that before the petition of right filed by the subject with the Secretary of State can be proceeded with, a Governor General's fiat must first be obtained. The purpose of this Bill is to abolish the necessity for securing this fiat. Thus what we propose is the abrogation of an age-old precept of our constitutional and public law. In this year 1951 we are writing the final chapter in the history of an important legal doctrine which can be traced back to the time of Edward I.

PURPOSE OF LEGISLATION

"The purpose of this legislation is to place the Crown in right of Canada in petition of right proceedings in the Exchequer Court in substantially the same position as an ordinary litigant. This will be accomplished by removing the necessity of obtaining a fiat before a petition of right can be proceeded with. If this Bill be passed, as I am sure it will be, it will be possible for a citizen under the Petition of Right Act to institute proceedings against the Crown in the Exchequer Court without the Crown's consent given by fiat, just as individuals now conduct litigation against one another in that Court.

"In order to make the new right of the citizen more effective, the Bill also provides in other respects for simplification of procedure in the Exchequer Court. The result of the Bill will be to provide a citizen with a simple, direct, and as far as possible economical method of proceeding as of right against the Crown. Since the Bill marks a new phase in our legal and constitutional development, it seems appropriate for me to describe briefly its historical background. Its historical setting can be traced, as I have already indicated to the time of Edward I in the thirteenth century, although its origin undoubtedly extends to even more ancient times. Both the legal theory and the rule of procedure adopted in consequence of that theory are now being discarded by this Bill.

"In their historical origin our courts were the King's courts. They were created by the

King to hear and determine suits brought between subject and subject in accordance with rules of the common law. Since the courts had been created by the King and, in a very real sense, represented the monarchy in the exercise of its judicial function, it was not possible for a subject to sue the King in his own courts. However, even in those early medieval times subjects occasionally had legal claims against the Crown and, since they could not sue the King in his own courts, subjects could only hope to get redress by petitioning the King for justice. Thus from very early times these petitions addressed to the King for the redress of wrongs committed by his officers have been known, as they are known in Canada now, as petitions of right, a petition to the King that right should be done.

"When the King received these petitions of right it became his practice not to decide for himself, because he set up courts for the purpose of considering matters of that sort, whether any such petition should be granted. But the King, in relation to these petitions of right, issued an order or fiat addressed to his own courts directing in effect: Let justice be done. In this way issues between the Crown and subjects were brought before the courts and there determined in accordance with the law. That is the sole basis in 1951 on which petitions of right against His Majesty in the right of Canada are decided in this country.

"It is this old doctrine of constitutional and public law which the Government is now asking Parliament to abrogate...."

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TRADE CONFERENCES: The following announcement regarding trade conferences was made in the House of Commons on May 29 by the Minister of Trade and Commerce, Mr. Howe:

"Last week, ... a meeting of the Canada-United Kingdom Continuing Committee was held here in Ottawa, and during the week-and my colleague, the Minister of External Affairs (Mr. Pearson), issued a short summary of the profitable discussions which took place. Discussions with the British West Indies followed the United Kingdom talks and are now completed.

"A delegation of officials of the French Government arrived in Ottawa this morning to discuss a number of problems pertaining to trade between our two countries. Members of this delegation spent yesterday in Toronto at the International Trade Fair, where they were welcomed as honoured guests and were able to see the merchandise of many countries now on display there. This afternoon the French Delegation will begin meetings with officials of government departments concerned. It is expected that these discussions will be carried

on for two or three days. The tariff agreement completed recently at Torquay between Canada and France was evidence of the desire which exists on both sides to create opportunities for trade.

"Tomorrow, May 30, the Minister of Customs of New Zealand, who is also the Associate Minister of Finance of that country, will arrive in Ottawa to discuss trade problems with the Canadian Government. We welcome this timely visit of a distinguished Minister of the Crown from a sister Commonwealth country. Canada has traditionally enjoyed valuable trade relations with New Zealand, and we hope that the groundwork will be laid at the present meetings for further expansion.

* * * *

(Cont'd. from p. 1) "THE PRICE OF PEACE"

of view and which might lead to the conflict spreading, the Chinese Government in Peking may decide that it would be folly for them to persist in the destructive course they have begun. We must hope that the day will come when they will realize that it is not China, but Russia, which is being served by the aggression in Korea in which they have participated. Then, they may be ready to enter into discussions leading to a settlement of Korean and other Far Eastern issues, on terms that the United Nations can accept....

"Already in its brief history the United Nations has had notable successes in settling international disputes by mediation and conciliation. The Indonesian and the Palestine disputes both held grave possibilities and might have led to widespread conflict if the United Nations had not been patient and persistent in attempting to reach a peaceful settlement. The organization's conciliatory functions are as important as those in organizing collective action against aggression. They will ultimately be required, I believe, if we are to find an honourable and stable conclusion to the war in Korea....

WEST MUST TAKE LEAD

"We in the West must take the lead in defending the peace against aggressive communist Imperialism. But we must also accommodate ourselves to the fact that our civilization must now be considered as only one of many. We may, for instance, need to show more humility and understanding than we have at times in the past. We should, of course, honour as much as ever the particular traditions which we have inherited. But we must recognize that we now share the world with other independent and, indeed, re nascent civilizations; particularly in the Far East, where nearly one-half of the world's people are now stirring and striving after some of the things which we of the West take so much for granted.

"One of the most fruitful bases for co-operation between different civilizations, I think, is a common effort to meet the material needs of those who are now living in poverty and hunger. The causes of war are manifold and sometimes obscure. But it is clear that the maintenance of peace is closely related to the great work of social and economic development throughout the world. Peace, unaccompanied by a steady improvement in the lot of all peoples, would be an unstable and insufficient achievement of the United Nations. So we of the richer countries must help to remove want and suffering, if we are to build an international community on sound foundations. We cannot hope to reside comfortably in a rich suburb surrounded by slums....

"It is a proud mission for any man to be helping to avert a war in which the whole of civilization might be destroyed. The military forces of the United Nations will continue to do their part to that end, by resisting the aggressor in Korea. If we who work behind the ramparts they provide are ready for sacrifices in order to spread the material advantages of our civilization more evenly throughout the world and to forge the weapons necessary for the defence of freedom, we will have firm ground for hope that the peace of the world can be maintained."

* * * *

APRIL REVENUES WELL UP: The Minister of Finance, Mr. Abbott, released on May 26 the Comptroller of the Treasury's statement of revenues and expenditures of the Government of Canada for the month of April, 1951, the first month of the current fiscal year.

The statement shows that total revenue of the Government for the month of April amounted to \$218.3 million, while total budgetary expenditures amounted to \$96.8 million, resulting in a budgetary surplus of \$121.5 million. In addition, there were non-budgetary disbursements, that is, outlays for loans, advances and investments of \$7.8 million during the month.

Revenue for the month of April, 1951 exceeded that of April, 1950 by \$52.2 million. Expenditure for April, 1951 exceeded that of April, 1950 by \$8.8 million. The main increases were in expenditures for army service \$3.6 million; air service \$2.1 million and for family allowances 1 million.

"It should be borne in mind" said Mr. Abbott, "that the Comptroller's figures can not be taken as indicative of the probable result for the fiscal year as a whole. April is always an abnormal month as a large portion of the expenditures made during April are attributable to the previous fiscal year and are charged to that year in the Government's accounts".

THE SEAWAY AND NATIONAL DEFENCE

MR. CHEVRIER'S ADDRESS: The following is an excerpt from the address of the Minister of Transport, Mr. Chevrier, on the St. Lawrence Seaway, at the Canadian Export Association Dinner given to members and visitors to the Canadian International Trade Fair, on May 30 at Toronto:

"...From the point of view of National Defence, the development of the St. Lawrence Deep Waterway is of the greatest importance. In February of this year the permanent Joint Board of Defence made a joint recommendation concerning the military value of the project. The Board recommended its early construction stressing the need for the additional supplies of hydro electric power vital to the expansion of the military strength of the two nations and the value of the Seaway as an inland waterway relatively safe from enemy action. This will enable the two countries to move war materials at less cost in money and resources than by any other means. It will permit greatly increased ship building and ship repairs in the relatively well protected Great Lakes shipyards. The addition which this project would make to the military potential of the United States and Canada will far outweigh the initial expenditure in man power, money and critical materials. It must be realized that much of these materials will be required in any event, because if this project is not now proceeded with alternative sources of power will have to be provided. Without the construction of the Seaway the large deposits of high grade iron ore in Labrador cannot be moved economically and expeditiously to the Great Lakes steel centres.

"Look at the map of North America, and you will find that the Great Lakes - St. Lawrence Seaway lies almost in the centre of the five physiographic regions of the North American Continent. The upper end of the Seaway links the Canadian West to the Atlantic seaboard and the American West to the Port of New York. It joins the wheat fields of Western Canada to the United Kingdom market.

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APRIL FOREIGN TRADE: A summary of foreign trade figures for April released by the Bureau of Statistics shows an increase in the value of Canada's total domestic exports to \$295,200,000 from \$205,500,000 in April, 1950, and a rise in estimated total imports to \$393,100,000 compared to \$230,900,000.

Domestic exports to the United States rose in value to \$183,200,000 as against \$137,800,000 in April last year, and to the United Kingdom moved up to \$41,700,000 compared to \$25,800,000. Estimated imports from the United States amounted to \$278,700,000 as compared to \$162,200,000, and from the United Kingdom to \$48,700,000 as against \$29,500,000.

"When one realizes that more yearly tonnage passes through one of the bottlenecks in the Upper Lakes region namely, the locks at Sault Ste. Marie, than through the Panama, Suez, Manchester and Kiel Canals put together, this gives some idea of the tonnage that is likely to come through when the development is completed. The building of the Panama Canal through the Isthmus of Panama, the construction of the Suez canal linking the Mediterranean with the Red Sea, were logical projects. They were the inevitable and the right thing to do, no matter at what cost. On the proposal to construct the Deep Waterway in the St. Lawrence River to link the Great Lakes to the Atlantic Ocean, the verdict will be the same. If you were to draw a circle having a radius of 75 miles around the Long Sault Rapids, you would have within this circle no less than 6 million h.p. of electrical energy, most of which has been undeveloped. What this will mean to the Province of Ontario and Quebec and the State of New York, I need hardly explain to an audience such as this...

"The friendly relations existing between Canada and the United States for well over a century have been greatly enhanced by two world wars. These wars and particularly the last one have brought us together more than ever before. They have shown that on many problems not only do we think alike but frequently we act together. Such was the case of Ogdensburg, on the Joint Permanent Defence Board, at Hyde Park, on the Alaska Highway, in the Northwest Passage and perhaps more particularly in the air by means of our trans-border services! Our Governments think alike on the development of the St. Lawrence Waterway. I believe the vast majority of our people think alike; but we must translate this thinking into action. We must act together upon it so that, to use the words of a great British statesman, in the days to come the Canadian and the American peoples will, for their own safety and the good of all, walk together in majesty, in justice, and in peace."

1951 TRADE FAIR OPENS: The Fourth Canadian International Trade Fair opened May 28 at Toronto amid signs that it will be more significant for world trade than any of its successful predecessors. Twenty-eight countries are showing their products, with England and Canada the biggest participants.

Sir Robert Sinclair, K.C.B., K.B.E., Past President of the Federation of British Industries and one of Britain's most brilliant industrial leaders, officially opened the Fair at a ceremony presided over by the Minister of Trade and Commerce, Mr. Howe.



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WEEK'S EVENTS IN REVIEW

CANADA, U.K., U.S. TRADE: During an extended discussion in the House of Commons on May 21 on the Torquay tariff agreements, the Minister of Trade and Commerce, Mr. Howe, at one point in his speech, dealt with the changing pattern of trade as between Canada and the United States and Canada and the United Kingdom.

He announced that in addition to the trade conference at present proceeding in Ottawa with a high level team of British and Canadian experts, a trade conference was to follow with France, which in turn was to be followed by a trade conference with the British West Indies and still another conference with New Zealand.

"Today," he said, "the trade between British and Canada is exceedingly high, high compared with any pre-war year in history."

Mr. Howe said in respect of trade with the U.S.:

"It has been said that we have been increasing unduly our exports to the United States. Why have we been doing that? We either had to do that or we had to limit our imports from the United States; and this country cannot get along without substantial imports from the United States.:::

(in 1947.) "we were going bankrupt in United States dollars. In other words, up to that time we were exceeding our ability to buy in

the United States. We had to meet that situation. We met it partly by cutting back our imports from the United States, but we met it to a larger extent by building up our exports to the United States and thus building up our ability to import from the United States. It seems to me that that was the logical development of trade. Today our trade with the United States is not in balance but, counting shipments of gold and certain invisibles, we are certainly trading on a basis that is manageable and that is within our ability to pay for imports.

"The United Kingdom has been in the same position in its trade with Canada. We have never refused to export anything to England; we have pressed exports on England every year; and England has bought to the extent of her ability to pay. We have been told repeatedly by representatives of the United Kingdom that Britain would gladly spend in Canada all the dollars that she could earn in Canada. Canada therefore has promoted the sale of British goods in Canada; and exports to this country from Britain are today at far the highest level in the history of either country. In other words, we have been building up our trade with the United Kingdom by building up the ability of the United Kingdom to pay for goods purchased in this market. Through our

(Continued on Page 3)

PRIORITIES REGULATIONS: Regulations respecting priorities have been established by Order-in-Council P.C. 2399, dated May 16, 1951, the Minister of Defence Production, Mr. Howe, announced on May 17.

Mr. Howe emphasized that these regulations do not in themselves impose any controls on industry but they authorize the Minister of Defence Production and, under his direction, the Director of the Priorities Division, to issue priority orders covering essential supplies as circumstances may require.

Canada has never had a formal system of priorities such as that set up in the United States; during the last war, priority direction was used in Canada only to the extent necessitated by conditions of supply and demand. It is intended that the same procedure will be followed in the present circumstances.

Essential supplies, as defined in the Order-in-Council, cover all kinds of military goods and equipment, e.g., guns, aircraft, ships, as well as manufactured products and other articles needed in the defence effort. Also included are the materials and commercial services used in producing such items, or in constructing essential facilities such as airdromes, defence fortifications, dockyards, buildings used to produce essential supplies, etc.

Mr. Howe stated that the administration of any orders issued under priorities regulations will not conflict with priority orders issued by the Directors of the various commodity divisions of the Department in connection with materials that have been declared essential under the Defence Production Act.

The Priorities Division will be responsible for priorities in all fields not covered by the commodity divisions and will also be responsible for arrangements whereby Canadian industry can participate in the formal U.S. priorities system. This latter function forms an important part of the work of the Priorities Division and the new regulations provide the framework within which Canadian manufacturers may obtain priority assistance in securing supplies from the United States.

* * * *

REPORT ON MANPOWER: The Minister of Labour, Mr. Gregg, in opening the second meeting of the National Advisory Council on Manpower in Ottawa on May 18, reported that on many of the recommendations coming out of the first Manpower meeting action had been initiated.

Addressing the Council, the Minister of Defence Production, Mr. Howe, stated that, in general, defence industries were not at the moment having serious difficulty in recruiting essential manpower.

However, the overall manpower situation was "tight" and would continue tight during the remainder of the year. Wherever possible the Government was avoiding major dislocations of the civilian economy. Although there were

reports of industries "cutting back" production due to shortages of materials, he stated that as a result of his personal examination he was satisfied that this was grossly exaggerated. Some industries have cut back production due to overstocking.

Canadian production had been running at record levels during recent months. This posed the problem of adding on defence production to civilian production. The situation was vastly different from World War II, however, since the demands now were limited as opposed to the almost unlimited demands of all-out war.

In many instances the present situation demanded organizing and construction for potential rather than actual all-out effort. The pressure for top production was mainly restricted to the aircraft and shipbuilding industries, electronics, certain types of guns, and certain construction of military establishments.

There were, however, certain large scale defence-supporting expansions which would extend the demand for labour. These included the iron ore developments in Northern Quebec and Ontario, large aluminum plant in Quebec and British Columbia, and the development of other strategic minerals.

* * * *

1,000,000 FEWER ACRES TO WHEAT: Canadian farmers will have less acreage in wheat and summerfallow and more in coarse grains and flaxseed this year than last, according to estimates by the Bureau of Statistics based on indications of farmers' intentions at April 30, obtained through the annual survey of crop correspondents conducted in co-operation with provincial departments.

Spring wheat acreage will be some 900,000 acres or about four per cent below last year's level of 26,100,000 acres, and the combined acreage of spring and winter wheat is placed at 26,000,000 acres as against 27,000,000 in 1950. A decrease of more than 700,000 acres in the Prairie Provinces for summerfallow is anticipated, bringing the 1951 total down to 20,300,000 acres.

Increases in the major coarse grains and flaxseed are expected to more than offset the reductions in wheat and summerfallow acreage. The intended seeding of oats is placed at 12,000,000 acres, up four per cent from 1950, while barley at 7,700,000 acres will be 16 per cent higher. Total rye acreage is expected to be up six per cent, and flaxseed acreage to be almost doubled, reaching the million-acre level for the first time since 1948. The acreage intended for potatoes is 10 per cent below that of 1950.

This year's intended wheat acreage is well below the record 28,700,000 acres in 1940, but is above the 1941-50 ten-year average of 23,400,000 acres and the 1946-50 five-year average of 25,400,000 acres.

(Continued from p. 1)

CANADA, U.K., U.S. TRADE

efforts and through the co-operation of the British Government, the balance of trade today is in favour of the sterling area. In other words, the sterling area is selling Canada more goods than it is buying from Canada. Surely that is a sound position for both countries to be in, because it removes the balance of payments situation as an impediment to trade and it places both countries in a position so that the trade of each can increase, step by step and in parallel.

"Our trade with South America has been increasing greatly, particularly in the last several months. There again that represents a fairly well-balanced trade presently somewhat in our favour. Our over-all trade position is that exports and imports are almost in balance. In 1950 the figure for our imports was slightly larger than that for our exports. Usually there has been a slight difference in our favour; that is, exports were greater than imports. Surely that is a sound trading position.

"We speak of the old triangular pattern of trade. Under that pattern, we made most of our purchases in the United States, sold most of our products to England and said to England: 'You pay our bills in the United States; we cannot find the dollars; you must do it for us.' That was the triangular pattern of trade. We bought in one market, sold in another market and asked our two principal customers to square up our balances with each other. Today our trading position with all our customers is nearly a balanced one, as nearly as it is desirable to get in the nature of multilateral trade in which Canada participates.

"We are told that we are sacrificing the British preference. As a matter of fact, we have given up no important British preference. The margin has been cut on a few items. At the Annecy Conference Britain, for reasons that were good to both Canada and the United Kingdom, unbound the preference margin as far as the United Kingdom was concerned; and in a few items the margin of preference has been shortened. But no important preference has been given up and no preference has been taken away from any Empire country.

"A good deal has been said about Empire preferences. Hon. gentlemen opposite speak as though those would be the salvation of any situation. Any British country can ship to Canada and can take advantage in Canada of the British preference. But I know of no article that Canada can ship to any British country freely and as to which Canada can obtain a British preference. The preference is on the statute books, but behind the preference is a prohibition or a quota. Therefore, unless trading methods change within the Empire, I

doubt whether the British preference is going to find markets for us within the Empire. With the improvement in the balance of exchange that I have mentioned, I hope that those quotas and prohibitions may be removed, in time; if so, the British preference will be to the advantage of Canada. But today Canada is not gaining the advantage of the preference which insures to other British countries trading into this market...."

Mr. Howe said that the general demand for everything that goes into the United States stockpiles has been far greater than the supply, and the effect of the stockpile was not in any way important as far as exports from Canada to the United States were concerned.

* * * *

AGRICULTURAL PRODUCTION: Physical volume of agricultural production in Canada in 1950 was higher than in the preceding year, according to index numbers compiled by the Bureau of Statistics. The index for 1950, on the base, 1935-39=100, stood at 139.8 as compared with the revised figure of 122.5 for 1949, and the all-time high of 164.2 in 1942.

The gain in the 1950 index was due entirely to a general increase in field crop production which more than offset declines in the output of livestock and livestock products. Although early frosts and unfavourable harvesting weather in the Prairie Provinces adversely affected outturns of grains, particularly wheat, barley and flax, 1950 production estimates were substantially above the 1949 level. Increased production of vegetables and potatoes resulted from favourable growing conditions, which more than compensated for a reduction in acreage. Gains in production were also made for sugar beets and maple products.

Offsetting to some extent the general increase in field crop production was the decline in the output of livestock, livestock products, fruits and tobacco.

* * * *

RECORD MOTOR VEHICLE SALES: A new record for monthly volume of new motor vehicle sales was established in March, according to the Bureau of Statistics. Sales in the month numbered 49,404 units with a retail value of \$116,245,475 as compared with 35,324, at \$70,816,689 in March last year. Increases over March 1950 were 40 per cent in number and 64 per cent in value. The much greater increase in value reflects an advance in the average purchase price of \$2,353 from \$2,005 in March a year ago.

New passenger cars sold in March totalled 37,885 with a retail value of \$89,537,155 -- also new records -- as compared with 27,626 at \$54,330,828 a year earlier. Sales of new commercial vehicles rose to 11,519 units from 7,698, and the value to \$26,708,320 from \$16,485,861.

1951 GEOLOGICAL SURVEYS: An assessment of strategic minerals, including tungsten, molybdenum, chromite, and antimony, essential to Canada's defence programme will form an important part of this year's programme of the Geological Survey of Canada, the Minister of Mines and Technical Surveys, Mr. Prudham, announced on May 21.

The Survey has assigned 88 parties to the field projects which provide for geological investigations and mapping in the Northwest Territories, Yukon, and nine of the Provinces.

The work is to include further examination and mapping in the Quebec-Labrador iron region, mapping of areas believed to be favourable for the occurrence of oil, gas and coal, and examination of uranium-bearing deposits. The staff of a regional office established in Calgary last year will examine the great number of drill cores and cuttings available in that area to aid in the interpretation of the stratigraphy of the oil fields.

Examinations of glacial deposits including gravel, clay, and sand, and the study of groundwater resources will be extended to include the important industrial areas of Montreal and Vancouver.

A special detailed study of the Sydney coal field in Nova Scotia will be continued as an aid to the industry in planning further development of the coal deposits.

Parties have been assigned as follows: Northwest Territories 7, Yukon 5, British Columbia 16, Alberta 11, Saskatchewan 5, Manitoba 6, Ontario 6, Quebec 7, Quebec-Labrador 4, New Brunswick 3, Nova Scotia 3, Newfoundland 7.

In addition, six geologists will be assigned to strategic mineral investigations in various parts of Canada and two to the investigation of radioactive minerals.

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ADDITIONAL METALS CONTROLLED: The Minister of Defence Production, Mr. Howe, announced on May 21 that commencing June 1, primary and wrought aluminum, primary copper, brass mill products, copper wire rod and wire, will be under direct allocation and inventory limitation by the Non-Ferrous Metals Division.

These metals were previously declared essential under the Essential Materials Act and later under the Defence Production Act. They have been under informal rationing by the producers for the past several months. It is not expected that initially the supply of these metals to Canadian industry will be materially changed under these orders.

In the administration of the Orders issued on May 24, items will be subject to an order-approval system and to inventory limitation which will ensure adequate supplies to meet defence and other essential requirements, Mr. Howe stated. Approval will not ordinarily be granted where inventories are considered to be excessive.

INDUSTRIAL PRODUCTION PEAK: Industrial production in Canada reached a new peak in February, according to the April issue of the Canadian Statistical Review. The February index, on the base, 1935-39=100, stood at 214.1, up 14 per cent from February last year, and approximately two per cent above the previous peak of 210.7 in October last.

This very substantial increase in the physical volume of production has been particularly apparent in the index for the durable manufactures group, which has risen approximately 22 per cent over February last year -- a reflection of the present heavy demand by consumers for durable goods and by the metal-using industries for defence materials.

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N.R.C. SCHOLARSHIPS RECORD: For the academic year 1951-52, the number of applicants for National Research Council scholarships and the number as well as the value of scholarships granted reached an all-time high, the National Research Council has announced.

Here is a comparison with last year's figures, which represent the previous record: 505 applications had to be reviewed, as against 453; the number of awards is 215 as against 197; and their total value is \$192,100 as against \$140,225. This increase of over \$50,000 is largely due to a substantial upward revision in various types of grants: this year's 72 bursaries are worth \$600 each instead of the former \$450, the 92 studentships are \$900 each instead of \$750, and the 30 fellowships \$1200 instead of \$900.

In addition, fourteen special scholarships at \$900 have been awarded for study abroad, to be pursued at the following universities: three each at London and Oxford, two at California University, and one each at California Institute of Technology, Cambridge, Harvard, Iowa State, Ohio State, and Paris. Seven overseas postdoctorate fellowships at \$2500 have been granted for work at the following British universities: two each at Cambridge and London, and one each at Birmingham, Leeds, and Oxford.

* * * *

FOREST FIRE LOSSES: "During the past year 88 per cent of the 5,310 forest fires which occurred in Canada were man-caused," stated the Minister of Resources and Development, Mr. Winters, in releasing the national forest fire statistics for 1950.

"While the total number of forest fires was encouragingly lower than the 1949 total of 7,046," he added, "it is regrettable that the proportion of man-caused fires should have climbed almost 88 per cent over the percentage of man-caused fires of the previous year's total".

The damage caused by forest fires was estimated for 1950 at nearly \$5,000,000 and the cost of fighting these fires amounted to approximately \$2,000,000.

IN PARLIAMENT THIS WEEK

HUMAN RIGHTS AND LIBERTIES: In reply to a question asked on May 14 by the Leader of the C.C.F. Party, Mr. Coldwell, the Prime Minister, Mr. St. Laurent, made a statement in the House of Commons on May 21 regarding the possible enactment by Parliament of legislation related to human rights and Parliament's acceptance of the United Nations declaration of human rights.

The Prime Minister first quoted the question from Hansard, as follows:

'Will the Government comply with the recent request . . . for the introduction in both Houses of Parliament this session of a resolution approving the inclusion in the Canadian constitution of a declaration of human rights and liberties, and that pending appropriate legislation such approval should affirm Parliament's acceptance on behalf of Canada of the United Nations declaration of human rights?'

He then proceeded:

AMENDMENT OF CONSTITUTION

"The question asked by the hon. member divides itself into two parts:

"The first part refers to the inclusion in the Canadian constitution of a declaration of human rights and liberties. This would require an amendment of the constitution affecting both the federal Parliament and the provincial legislatures.

"Under the present procedure such an amendment would have to be made by the Parliament at Westminster, and this Government would not recommend an application for such action by the Parliament at Westminster without the consent of the provincial legislatures or Governments.

"The federal Government is now discussing with the provincial governments the establishment of a satisfactory procedure to have future amendments to the constitution made by Canadian authorities here in Canada, and while these discussions are proceeding this Government does not intend to initiate discussions about a matter like that referred to in the question, which is apt to be quite controversial and might retard the solution of the question relating to the establishment of a satisfactory procedure to make future amendments here in Canada.

"As for the second part, the Canadian Government has already, through the affirmative vote of the Canadian Delegation in the General Assembly of the United Nations, accepted the universal declaration of human rights as a general statement of principles to which we subscribe. Before the vote was taken on the declaration, the Canadian Delegation stated that it had various reservations on details of the text. The head of the Canadian Delegation added that certain important aspects of the declaration were within the field of provincial

jurisdiction, and that in regard to any rights defined in the document the federal Government did not intend to invade that field of provincial jurisdiction.

"Now, since this universal declaration of human rights is not a legal document, the Government does not propose to ask Parliament, in advance of the submission for signature of the proposed convention on the same subject which is now under consideration by the United Nations, to endorse the approval expressed by Canada through its Delegation."

COUNCIL OF EUROPE: The following question and answer concerning the Council of Europe were recorded in the House of Commons on May 17:

Mr. Alistair Stewart (Winnipeg North): I should like to direct a question to the Secretary of State for External Affairs. Has an invitation been received from the Consultative Assembly meeting at Strasbourg to send observers to additional meetings of the Assembly? If so, has the Government yet decided what course it will follow?

The Secretary of State for External Affairs, Mr. Pearson: I thank the hon. member for giving me notice of this question. The answer to the first question is that no invitation has been received from the Consultative Assembly meeting at Strasbourg to send observers to additional meetings of the Assembly. We understand that a resolution has been under consideration by the Consultative Assembly whereby an invitation might be addressed to the Canadian Parliament to be associated more closely with the Council of Europe, but this has not yet been received. If and when such an invitation is received it will, I presume, be a matter for consideration by Parliament. Since the creation of the Council of Europe, Canada has been represented at the sessions of the Consultative Assembly by an observer. The observer for the present session is Mr. T.C. Davis, head of the Canadian Mission in Bonn, Germany.

DEFENCE MINISTERS' CONFERENCE: The following question and answer on the subject of Canadian representation at the Commonwealth Defence Ministers' Conference to be held in Malta were recorded in the House of Commons on May 21:

Mr. Gordon Graydon (Peel): In the absence of the Minister of National Defence, who I understand is away on public business, I should like to direct a question to the Prime Minister. Has Canada received an invitation to the Commonwealth Defence Ministers' Conference to be held in Malta next month?

(Continued on p. 5)

CANADA AT THE UNITED NATIONS

MR. HOLMES' STATEMENT: The following is the text of the statement by Canada's Acting Permanent Delegate, Mr. John Holmes, before the Political and Security Committee of the United Nations on May 17 on the resolution recommending an embargo against supply of strategic war material to Communist China and North Korea. The resolution was passed by a vote of 45 to 0, nine countries abstaining.

"As a member of the Additional Measures Committee, my Delegation has taken part in the discussions associated with the preparation of this resolution and has already expressed in the Committee its acceptance of the resolution. We shall also accept the amendment presented by Australia, France, the United Kingdom, the United States, and Venezuela.

"My Government has been determined from the outbreak of aggression in Korea to join in resisting that aggression by all possible means. We sent our armed forces to Korea and to support them we proceeded immediately to cut off strategic materials not only to North Koreans but, as soon as it became clear they were aiding aggression, to the Chinese as well. When the Chinese openly engaged in the fighting, we redoubled our military efforts and further extended our controls on exports.

"Most countries, like ourselves, have long since taken measures to cut off strategic exports to China, in accordance with the spirit of previous resolutions. And for this reason the present resolution may not seem to make much difference. Nevertheless we consider that there are advantages in action by the United Nations to generalize restrictions and require some equality in the sacrifices involved in an embargo.

"What is proposed in this resolution is a selective embargo, directed specifically towards assisting our military enterprise in Korea by weakening the opponent. This embargo can be a flexible instrument. Reports will be made to the Additional Measures Committee, and the Committee may recommend adjustments. If any further action should be required, we believe that this can be taken by extending or revising this embargo.

"Our aim remains a peaceful settlement. The authorities in Peking should not interpret this resolution as in any way altering our expressed determination to reach agreement with them. This resolution is supplementary to our military effort in Korea and is no more inconsistent with our peaceful intentions than the other measures we have taken to achieve victory in Korea. All that is necessary is some indication from Peking of willingness to agree to a just settlement.

"So long as aggression continues against the Republic of Korea we will resist it. We do not want to fight China, but if there are Chinese who fight against United Nations forces we must not provide them with weapons to do so. It was for that reason that my country cut off these supplies to China. It was not to cripple the Chinese economy or punish the Chinese people. If the Chinese people do suffer from lack of materials, the Peking Government can quickly correct that situation by accepting the proposals for a cease-fire made by this Assembly. We shall be happy to remove these controls when the Chinese cease aiding aggression in Korea or anywhere else."

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NATIONAL STATISTICS

Continuing the upward movement which has been in evidence since October last, value of inventories held by Canadian manufacturers rose to a new peak in March, the Bureau of Statistics' index number rising to 156.6 per cent of the average 1947 value as compared with the previous high of 153.4 in February, and 134.8 in March last year****Department store sales rose 10 per cent during the week ending May 12 over the corresponding week last year, according to preliminary figures. All provinces shared in the advance except the Maritimes****Visible supplies of Canadian wheat in store or in transit in North America on May 3 amounted to 171,367,771 bushels; an increase of 37 per cent over last year's corresponding total of 124,778,082 bushels****Canadian production of gold was slightly lower

in February this year, amounting to 347,053 fine ounces as compared with 349,904 in the same month last year****Canada's 1950 forage seed crops were valued at \$13,526,000, slightly above the preceding year's total of \$13,269,000****Wholesale sales were 14 per cent higher in March than in the corresponding month of 1950****

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(Continued from P. 5)

IN PARLIAMENT THIS WEEK

The Prime Minister, Mr. St. Laurent: There has been correspondence between the Government of the United Kingdom and the Government of Canada in that respect. No decision has yet been reached in the matter, but as soon as one is reached I shall be pleased to communicate it to the House.



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WEEK'S EVENTS IN REVIEW

EXTERNAL AFFAIRS: In closing the debate on external affairs in the House of Commons on May 14, the Secretary of State for External Affairs, Mr. Pearson, made statements regarding, among other subjects, the advantages which have accrued from the United Nations' action in Korea, policy for ending the war in Korea, and the absence, at the time, of any indications that the Chinese Communists were in a mood to negotiate.

Of the United Nations' accomplishments, he said:

"In the first place...the military danger to many other areas in Asia has been greatly reduced as a result of the courageous and skilful campaign which has been carried on in Korea. Many of the best formations of the Chinese communist army have been committed to battle in Korea and have suffered very heavy losses in the process. As a result, the number of trained troops facing Indo-China, Formosa, Hong Kong, Burma and Malaya has been reduced, and the danger of successful attacks in those areas is now I think less than it was--although of course it has certainly not by any means been eliminated....

"Another way in which the cause of freedom has benefited through United Nations' action in Korea is that the whole of the free world is now aroused and alerted to the danger so that more rapid progress is now being made in increasing the armed forces in being in the

free world. We have now some reason to believe that before long these forces may be large enough to deter any would-be aggressor. This improvement in our position we owe, I think, largely to the sense of urgency which the war in Korea brought us, and also to the energetic leadership of the United States of America.

"This war in Korea has also been the occasion of another discovery which must be encouraging to free men everywhere. It is that collective military action against aggression is possible, and can be effective. It is certainly true even yet that three-quarters of the United Nations forces now fighting in Korea, apart from the South Koreans themselves, are being provided by the United States. But I think equally remarkable is the fact that no fewer than sixteen countries are now contributing contingents to the United Nations forces, and that all those contingents are being welded together in a strong and dependable United Nations army. It may be objected that all this is very well, but that if the United Nations army in Korea has not a clear mission which it can hope to fulfil, this whole grand exercise in international co-operation is futile. What, then, is the United Nations mission in Korea? Essentially, I think, Mr. Speaker, and I repeat what I said the other day, to defeat aggression, and by the lesson of that defeat to help prevent the outbreak of world war III.

1951 INTERNATIONAL TRADE FAIR: The first consignments of the millions of dollars worth of merchandise are being uncrated and assembled on the floor of the Industry Building at the Exhibition Grounds in Toronto for the 1951 Canadian International Trade Fair.

At mid-May the U.K. exhibits have reserved most space as a national group, with some 60,000 square feet booked. Canada is in second spot with 40,000 although applications for space by Canadian firms, still coming in, is expected to increase this figure.

The Netherlands is making a surprisingly large effort this year with around 70 different firms involved, compared with only four participants in the 1950 Fair. The merchandise from Holland covers several of the different trade groups, although heaviest in household furnishings, food products, textiles and handicrafts.

Italian manufacturers will again display a varied assortment of food products, machinery, handicrafts, household furnishings and textiles. To date 25 firms are involved.

The French national picture involves some 25 firms, who have taken slightly more space than in 1950, displaying merchandise such as textiles, machinery, wines, jewellery, sport togs, bicycles and a well-known make of French car.

The Japanese participation marks the first time this country has shown at the Trade Fair and is under the aegis of Japan Foreign Trade Institute. Around 55 firms are taking part to show products such as canned and dried foods, toys and recreational products, sewing machines, ornamental items, textiles, clothing accessories, bird cages and basketwares.

The United States participating, never large in point of space, is up over any previous year and includes the products of a number of makers of machine tools and industrial equipment.

Participating on a smaller scale, in terms of space, are: Australia, Austria, Bahamas, Barbados, Belgium, Belgian Congo, British Guiana, Cyprus, Germany, Hong Kong, Isle of Man, Israel, Mexico, Norway, Pakistan, South Africa, Sweden, Switzerland.

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DEMONSTRATE INFANTRY TACTICS: Two platoons of Canadian infantrymen arrived May 13 at the Infantry School, Fort Benning, Ga., to demonstrate infantry tactical methods, equipment and the Universal Bren Gun carrier to interested agencies of the United States Army, it has been announced by Lt.-Gen. Guy G. Simonds, Chief of the General Staff.

The two-month series of demonstrations are the result of recent exchange visits made by Gen. Mark W. Clark, Chief of the United States Army Field Forces, and Maj.-Gen. H.A. Sparling, Vice-Chief of the Canadian Army General Staff. They examined and discussed training methods of the two neighbouring nations.

FARM INCOME DOWN: Net income of Canadian farmers from farming operations in 1950 -- excluding estimates for Newfoundland -- declined almost 10 per cent from the preceding year, and was approximately 12 per cent below the record high reached in 1948.

According to preliminary estimates released by the Bureau of Statistics, farm net income for the year was placed at \$1,461,735,000 as compared with the revised 1949 figure of \$1,615,834,000, and \$1,650,699,000 in 1948.

Last year's decrease was the result of a substantial decline in cash income, a smaller value of income in kind, and a continued advance in farm operating expenses and depreciation charges.

The decline in the all-Canada net income was not evident in all provinces. Increases were recorded for Prince Edward Island, Nova Scotia, Quebec and Ontario with gains ranging from 1.2 per cent in Quebec to 10.3 per cent in Nova Scotia. Decreases occurring in the other regions varied from 4.2 per cent in New Brunswick to 27.7 per cent in Saskatchewan.

Cash income from the sale of farm products for the year 1950 was estimated at \$2,223,522,000, down nearly 11 per cent from the 1949 figure of \$2,494,781,000, and income in kind at \$337,311,000, was down four per cent from \$349,483,000 in the preceding year. Farm operating expenses and depreciation charges were almost six per cent above the 1949 level, totalling \$1,243,692,000 as against \$1,174,406,000. Increases in the year-end, farm-held stocks of grain in 1950 more than offset a decline in year-end livestock numbers to give an overall inventory increase for the first time since 1942.

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RAIL REVENUES, EXPENSES: Railway operating revenues and expenses climbed to new high levels in 1950, despite the nine-day strike at the end of August last year. Operating revenues rose to \$948,534,000 from \$885,354,000 in 1949, or by 7.1 per cent, and expenses were slightly higher at \$824,240,000 compared with \$822,704,000. The net result was an operating income of \$81,497,000 for 1950 as against \$31,279,000 in the preceding year.

Freight revenues for the year advanced 8.7 per cent or \$60,757,000 to \$761,839,000 -- a new record -- while passenger fares fell 7.6 per cent or \$6,388,000 from 1949 to \$78,004,000.

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ATLANTIC SUNDAY, MAY 20: Sunday, May 20, has been designated Battle of the Atlantic Sunday, in commemoration of the part played by the Royal Canadian Navy and by Canada's Merchant Navy in the Second World War, the Minister of National Defence, Mr. Claxton, has announced.

Church parades will be held in the various localities in which there are naval bases and training establishments and special services will be conducted on board ships at sea.

(Continued from p. 1)

EXTERNAL AFFAIRS

"If the aggression in Korea had been allowed to succeed without any attempt being made to resist it, other acts of aggression would certainly have followed. The strength of the free world would have been nibbled away piecemeal in accordance with the master plans of the Politburo. Eventually, a stage would have been reached when the remaining countries which were still free and independent would have realized that they had either to wage war with fewer resources and with much slighter hope of success, or else be engulfed under a wave of Soviet tyranny. Since they would certainly have chosen war rather than slavery, a third world war in those circumstances would have been inevitable."

Touching on Korean war policy, he said:

KOREAN WAR POLICY

"...On the one hand it is said that total military victory is indispensable and that it can be achieved by permitting the bombing of China, by imposing a naval blockade and by employing Nationalist Chinese forces outside Formosa. I do not want to repeat at this time why I believe that that policy would be a profound mistake--but I want to state my view that such a policy would not end the war in Korea at this time but might, on the contrary, lead from limited action to unlimited action, the result of which might bring in the U.S.S.R. If it did not, in my view it would almost certainly engulf us in a full continental war with 450 million Chinese people. I cannot myself think that that is the best way of ending the war in Korea. We would be playing for high stakes indeed if we took this kind of limited action in the hope that by such limited action we could end the war in Korea without going on if it did not succeed to unlimited action or without bringing in anyone else."

Mr. Green (Vancouver-Quadra): Will the Minister dispute the fact that his policy means asking Canadian troops to fight in Korea with one hand tied behind their backs?"

Mr. Pearson: "No, Mr. Speaker, that is not my policy; and certainly it is not the policy of this Government or that of any government that I know of that has troops in Korea."

Mr. Knowles: "Or of the United Nations."

Mr. Pearson: "And it is not the policy of the United Nations. It may be that, in spite of all our efforts, the catastrophe of a third world war may not be avoided. It may be that, in spite of all our efforts, this conflict will extend to...China. We may not have the control of that extension. But if the conflict is so extended, let the responsibility for the terror, the anguish and the devastation that it will cause rest in other hands than ours."

Mr. Green: "It is a policy of fear."

Mr. Pearson: "That is the hon. gentleman's interpretation of it, that it is a policy of fear. As I see it, it is a policy of realism and of peace. What is the alternative policy? It is for the United Nations forces to continue inflicting heavy losses on the aggressors, as they are doing at the present time, and at the same time to avoid any measures which are not absolutely necessary from a military point of view, and which might lead to the spreading of the conflict."

"As I said a few days ago in this place, there have been no recent indications that the Chinese Communists are in any mood to negotiate. I cannot believe, however, that the Chinese Government in Peking can be so blind to Chinese national interests as to continue indefinitely suffering the very heavy losses which are now being inflicted on their forces. So we must hope that a day will come when they will realize that it is not China but Russia which is being served by the aggression in Korea in which they have participated."

READY TO NEGOTIATE

"If that time comes, they may then be ready to enter into negotiations leading to a settlement in Korea and also to a settlement of other Far Eastern issues. Then, as now, the United Nations will stand ready to negotiate, as has been made clear many times, and most notably by the General Assembly when it approved overwhelmingly the statement of principles drawn up by the United Nations Cease-Fire Committee...."

Mr. Pearson said that the inquiries of the Indian Ambassador in Peking had not given any ground for believing that the Chinese Communists were yet ready to negotiate on any terms that could conceivably be acceptable to the United Nations. He assured the House, however, that the possibility of securing a settlement by negotiation was not being overlooked by any of the free governments concerned with this matter.

He concluded:

"Meanwhile I can only repeat what I said the other day, namely, that until we get that indication in some form from Peking, and while the battle is going on, diplomacy must for the time being take a second place to arms. We can only hope that the use of those arms by the United Nations will be so effective and do so much damage to the forces of communist aggression that before long they will see reason. It may then be possible to negotiate with them on United Nations terms, and the danger of a third world war arising in that part of the world will, at least, have been avoided."

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THE WEEK IN PARLIAMENT

NATIONAL UNITY: The following is an excerpt from the remarks of the Minister of National Defence, Mr. Claxton, in the House of Commons, on May 8, during discussion of matters relating to defence:

"...in this connection I am going to break my own rule, (of avoiding racial comparison) a rule which has been observed by my predecessors and welcomed by the House. I do that because of two charges against French-speaking Canadians which are utterly and completely without foundation. I do that because they have been made in important publications in other countries. I refer first to an article on Canada's foreign policy in the Contemporary Review of February, 1951, published in England, by J.A. Stevenson, who said:

'....the comparatively small contingent of French Canadians, who have volunteered for the special UN force, indicates that the isolationist spirit still has a firm grip on the French-Canadian people'

"In a similar article in Foreign Affairs published in the United States for April, 1951, the same author said:

'The recruiting returns for the special United Nations forces showed a smaller proportion of volunteers from Quebec than from any other province.'

"Now, Mr. Chairman, in the interests of unity and justice, it is necessary to deny emphatically these unfortunate and inaccurate statements. It happens that we do keep figures of enlistments by districts and areas which generally correspond to the provincial boundaries. The total number of men enlisting in the special force was 10,587. Of those, 3,134 came from the Province of Quebec, or thirty per cent. The inhabitants of the Province of Quebec represent twenty-nine per cent of the population. In other words, far from the Province of Quebec doing worse than the rest of the country, it did just about the same as the rest of the country, or a little better.

"Moreover, I have had a special survey carried out. It meant looking at every file, but I thought in the interests of national unity and justice we should do it. It was found that the proportion of Canadians in all parts of the country who joined the Special Force and whose mother tongue was reported to be French corresponds almost exactly to the Canadians of French origin in the total population...."

AIR FORCE BUILD-UP: The following is an excerpt from the remarks of the Minister of National Defence, Mr. Claxton, in the House of Commons on May 10, on the build-up of the Air Force:

"The hon. member for Calgary East (Mr. Harkness) asked: 'How many fighter squadrons are ready for defence of this country now?' That is the kind of question we do not give answers to, but the number will increase very rapidly as the new aircraft are produced. At the present time we have fighters equipped with Vampires and Mustangs, which are both good operational aircraft, but not nearly up to the class of the F-86E and the CF-100. Just as soon as they are available they will be issued to equip squadrons that will be trained and ready to receive them. The build-up will come along together, and without giving any information about which there should be security, it is quite obvious from the size of operations that Canadair Limited or A.V. Roe Canada Limited by the end of this year will be producing enough aircraft of the F-86E or CF-100 type to equip a squadron every month, approximately. I should think that would be a fair estimate."

FISHERIES ARRANGEMENT: In reply to a question by Mr. Stick, (Trinity Conception) the Minister of Fisheries, Mr. Mayhew, announced in the House of Commons on May 14 the extension of the arrangements to sell Newfoundland salted codfish in European markets for sterling. He said:

"I am happy to inform the hon. member for Trinity-Conception that we have today received word from the United Kingdom, through the Department of Finance, that they have agreed to extend the arrangement for another year covering the catch of 1951, subject to an over-all ceiling of \$4 million. This will provide for sales to Portugal, Italy, Greece and Spain at levels comparable to those from the 1950 catch. It will be recalled that at the time of union the United Kingdom agreed to an extension of this arrangement for one year only. Agreement to further extensions has been most helpful, particularly to Newfoundland.

"This special arrangement with respect to the sale of salted cod for blocked sterling represents a temporary solution pending the more basic reorganization of the fisheries being worked out by the joint Federal-Provincial Fisheries Development Committee. Already much new private capital is being invested in filleting and freezing plants."

NEW CIVILIAN FLYING PROCEDURES: New procedures covering civilian flying in two wide areas in Eastern and Western Canada were announced on May 12 by the Department of National Defence and the Department of Transport. The procedures, designed to facilitate aerial defence operations, will necessitate civilian flyers in the two areas filing flight plans under certain conditions. They are expected to become effective on May 15, 1951. Civilian flyers in Canada are being notified of the full details of the procedures by means of Department of Transport information circulars.

A similar system has been in effect in various parts of the United States for some time. Flying authorities in Canada, both military and civil, say that the new Canadian procedures will serve flying generally, in addition to their military purpose. Authorities have strongly urged for years that all flyers, wherever possible, file flight plans in order that search and rescue operations may be swiftly put in effect in the event the aircraft becomes overdue.

The purpose of the new procedures is to ease the task of maintaining an aerial defence system, and to minimize needless "alerts" by aerial defences on both sides of the border, resulting from radar posts picking up aircraft later identified as friendly. Under the system to be enforced, aircraft picked up in the two areas and not identified will be treated as unfriendly aircraft until proved otherwise.

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WORLD WHEAT REPORT: Supplies of wheat remaining in the four major exporting countries -- United States, Canada, Australia, and Argentina -- for export and carryover at the end of their respective crop years amounted to 969,000,000 bushels at the beginning of April, up 96,000,000 from last year's corresponding total of 873,000,000 bushels, according to the April issue of the Wheat Review by the Bureau of Statistics.

Wheat supplies held in the United States totalled 514,000,000 bushels as compared with 490,000,000, in Canada 283,000,000 bushels compared with 191,000,000, Australia 107,000,000 bushels compared with 126,000,000, and Argentina 65,000,000 bushels compared with 66,000,000. In both Canada and Australia unusually large proportions of the current supplies consist of low-grade wheat.

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DEFENCE RESEARCH BOARD: Two prominent Canadian scientists have been appointed members of the Defence Research Board. The appointments, effective from April 1, are for a term of three years.

They are Dr. Gordon Merritt Shrum, head of the Department of Physics, University of British Columbia, and Dr. Andrew Robertson Gordon, head of the Department of Chemistry, University of Toronto.

McKEE TROPHY WINNER: Carl C. Agar of Okanagan Air Services Ltd., Vancouver, an expert on helicopter flying, has been awarded the McKee Trans-Canada Trophy for 1950, the Minister of National Defence, Mr. Claxton, announced on May 14.

The trophy, which dates back to 1927, is presented annually for meritorious service in the advancement of Canadian aviation. Each winner is selected on the basis of performance throughout the year concerned. Emphasis is placed on performance throughout the year rather than a single brilliant exploit and the application of aircraft to new and useful purposes receives special consideration.

* * * *

RECRUITING FIGURES: Canadian Army recruiting officials reported on May 14 that they were well pleased with the results of the first week's campaign to raise men for the 27th Canadian Infantry Brigade Group.

Figures compiled at 4 p.m. Saturday, May 12, revealed that 2,377 men had actually been attested and were "in the Army". On the six-day basis this shows an average enrolment rate of nearly 400 men per day.

In the 24-hour period between 4 p.m. on Friday, May 11 and 4 o'clock on Saturday, another 379 men enlisted. The total application figure reached close to 5,000.

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GREAT LAKES SAFETY CONFERENCE: The Canadian-United States conference for the promotion of safety of life and property on the Great Lakes by means of radio agreed on the need for making compulsory the carriage of radiotelephone equipment on ships of 500 gross tons and on passenger-carrying vessels over 65 feet in length. All such ships and all shore stations would be required to maintain a constant listening watch on the distress and calling frequency.

* * * *

WOMAN ON BISLEY TEAM: First Canadian woman marksman ever to be named as a shooting member of Canada's Bisley team is Lt. Mary W. MacLennan, a Maritime schoolteacher of Alexandria, P.E.I.

A teacher at West Kent school, Alexandria, and a member of the Royal Canadian Army Medical Corps Supplementary Reserve at Charlottetown, she will sail with other members of the team from Montreal on June 12.

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SECURITY TRANSACTIONS: Security transactions between Canada and other countries continued to rise in February, combined total of sales and purchases reaching \$123,600,000 -- highest figure for any month except September, 1950 -- as compared with \$112,400,000 in January and \$35,900,000 in February last year.

NATIONAL STATISTICS

Factory shipments of Canadian-made motor vehicles continued to rise in March this year, the month's total reaching 47,779 units -- highest monthly figure on record. This raised the aggregate for the first three months of the year to 127,575 units -- also a new peak for the period****Canadian coal mines produced more coal in 1949 than in any previous year, according to the annual survey of the industry by the Bureau of Statistics. Tonnage produced in the year was 19,120,000 as compared with 18,450,000 in 1948, and the value, also a new high, was \$110,915,000 as compared with \$106,684,000****Benefit claims filed in local offices of the Unemployment Insurance Commission in March numbered 109,764, a decline of eight per cent from last year's March total of 119,533****March sales of Canadian department stores totalled \$72,594,000, up eight per cent over the March, 1950 value of \$67,344,000****Value of inventories held by Canadian manufacturers continued to rise in February, and the Bureau of Statistics' index number reached a new high of 153 per cent of the average 1947 value as compared with 149.4 at the end of January and 133.8 in February, 1950****Operating revenues of Canadian railways in January rose to a new record for the month of \$81,568,392, an increase of 33.7 per cent over last year's January figure of \$61,011,954, while operating expenses increased 14.5 per cent to \$73,309,942 from \$64,029,070.

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CANADA-U.K. TRADE COMMITTEE: The Department of External Affairs announced on May 15 that the Canada-United Kingdom Continuing Committee on Trade and Economic Affairs will meet in Ottawa beginning May 21, 1951.

The Canadian representatives will be: Mr. W. F. Bull, Deputy Minister of Trade and Commerce; Mr. J. G. Taggart, Deputy Minister of Agriculture; Mr. J. J. Deutsch, Director, International Economic Relations, Department of Finance; and Mr. A. F. W. Plumptre, Head of the Economic Division, Department of External Affairs.

The United Kingdom representatives at the meeting will be: Sir Alexander Clutterbuck, High Commissioner of the United Kingdom in Ottawa; Sir John Woods, Permanent Secretary, Board of Trade; Sir Frank Lee, Permanent Secretary, Ministry of Food, and Mr. R. W. B. Clarke, Under-Secretary, Treasury.

The Committee was established in September 1948 for liaison between official representatives of Canada and the United Kingdom on commercial and economic matters of mutual concern, and especially on measures to ensure the greatest trade possible between the two countries. The functions of the Committee are purely advisory. The most recent meetings of this Committee were in Ottawa, September, 1949, and in London, June 1950.

LABOUR AND PREPAREDNESS PROGRAMME: The tempo of activity in farming, fishing, construction and transportation increased during early April. At the same time, the effects on employment of developments in the preparedness programme became more apparent, the Minister of Labour, Mr. Gregg, announced on May 15.

Largely as a result of the expanding defence production programme, the Minister said, there have been increases in employment over the past year of some 4,000 in the aircraft industry, about 1,000 in shipbuilding, and approximately 18,000 in primary iron and steel, iron castings and machinery, 2,500 in the smelting and refining on non-ferrous metals, 4,000 in chemicals.

Expansion of plant facilities, necessitated by defence contracts as super-imposed on high-level non-defence production, will add considerably to the spring increase in construction employment and has important implications for employment in the petroleum, chemicals, aircraft, iron and steel, nickel and electrical apparatus industries.

The effects of very extensive resources development projects will be confined largely to the construction industry for some time yet, the statement continued. Notable undertakings in this category are the railway to the Quebec-Labrador iron deposits, the diversion of water power for the new aluminum developments in northern British Columbia, and the hydro-electric developments at Niagara Falls, in various parts of northern Quebec and the interior of British Columbia.

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HEALTH OF INDIANS IMPROVED: Substantial progress in Canada's efforts to improve the health of her native peoples, was reviewed on May 14 by the Minister of National Health and Welfare, Mr. Martin, in an address to a gathering at Ottawa of medical and other field staffs of the Indian Health Services.

Striking reductions were noted by the Minister in the incidence of tuberculosis among the Indians and Eskimos, the death rate having dropped 31 per cent in four years.

The Minister noted the great expansion of Indian Health Services in recent years with the Government bending every effort to the fulfilment of its moral obligation to provide medical and hospital care to all persons of Indian and Eskimo status. The number of Indians to be served was approximately 136,000, while Eskimos totalled 9,000.

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"NOOTKA" TO RETURN: Naval Headquarters has announced that HMCS Nootka is the next destroyer in line to return to Canada from the Korean war zone. The Nootka is scheduled to be relieved by HMCS Cayuga.



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WEEK'S EVENTS IN REVIEW

MR. PEARSON ON KOREA: The Secretary of State for External Affairs, Mr. Pearson, discussed Canada's relations with the United States, as well as the Korean situation, in the statement with which he opened the debate on external affairs in the House of Commons on May 7.

A great shift of power and influence had occurred within the last few years, with the result, he said, that the United States now stood pre-eminent in the free world. Canadians knew the United States so well that we could view this great and historic development without apprehension, and feel, indeed, relief and satisfaction that power was in the hands of a nation with such a deeply rooted democratic tradition, whose people had no desire to dominate other countries, and which had shown its good will towards less fortunate peoples on so many occasions by acts of magnanimity and generosity.

Now, Canada and the United States were not only neighbours but allies. We had always been good neighbours accustomed to settling differences in a neighbourly spirit. Now, as good allies, we must do our best to settle in our customary friendly way, such differences as might exist between us from time to time. But the questions we would have to discuss in this way would often be of a new character arising from our senior and junior partnership in a common association. They would often deal with the policies to be followed by that asso-

ciation in the North Atlantic Pact or within the United Nations.

Mr. Pearson mentioned as an illustration of one of the new categories of subjects under discussion between Canada and the United States the revision of the lease under which the United States held certain bases in Newfoundland. The discussions had been carried on in a friendly and co-operative spirit and had resulted in a compromise which he thought would commend itself to the House as reasonable under the circumstances. He added:

"In an age of atomic weapons and long range bombers Canada is obviously now of far greater importance to the defence of North America and the North Atlantic area than ever before. For that reason, and because we are now joined as allies in the North Atlantic Treaty inevitably from time to time there will be other defence questions of very great importance to both countries which must be discussed. I have no doubt that we shall be able to find satisfactory solutions to those questions as well, but it will be easier to find them if we in Canada continue to remember the very heavy responsibility the United States has shouldered for the common defence, and if the United States continue to appreciate that the alliance in which we are joined with them will not be as strong as it should be unless the various defence arrangements which may be necessary on our soil are worked out in such a way that they will commend themselves wholeheartedly to Canadian public opinion."

(Continued on p. 5)

U. S. - CANADA CO-OPERATION IN CIVIL DEFENCE

MR. MARTIN IN WASHINGTON: The following is the partial text of the address by the Minister of National Health and Welfare, Mr. Martin, on the subject, "United States -- Canada Co-operation in Civil Defence", to the Conference Course of the United States Civil Defence Staff College, Washington, D.C., on April 30:

"...We realize that in seeking targets in this continental area, enemy bombers attempting to reach United States targets will in almost every instance be obliged to fly across our Canadian territory, and that this exposes us to certain secondary risks and dangers for which we must make proper preparation. It also imposes upon us, I may add, the additional obligation of preparing ourselves to come to the aid of our United States neighbours, particularly in any target areas located in states adjacent to the Canadian border -- if the weight of enemy attack should ever fall upon them.

"In the event that disaster should strike any United States community within reach of Canadian aid, you can be sure that -- in the words of the United States/Canada Civil Defence Agreement -- all the resources and help that can be provided by our Canadian Civil Defence Organization will be at your service as if there were no border....

"The nucleus of a provincial Civil Defence organization has now been established in each of Canada's ten Provinces, with a provincial Minister in charge, a senior official responsible for the direction of the programme, and a Civil Defence Advisory Committee assisting in the development of plans and policies.

"In addition to this, local Civil Defence organizations have already been established in almost all of the larger cities of Canada. All communities over 50,000 in population -- with only one or two exceptions -- and a score of cities of smaller size have already a nucleus organization in being and are getting down to the job of detailed planning...."

After dealing in some detail with training for civil defence in Canada, the Minister proceeded:

"I should like to say something about the great significance that we in Canada attach to

the Civil Defence Agreement between our respective countries drawn up in Ottawa on February 21 of this year and formally approved by an Exchange of Notes in Washington on March 27 last.

"This Agreement is another milestone in the co-operative relationships that have meant so much to the people of our two countries in the long years of our friendly association together on this continent. This Agreement provides that the federal Civil Defence Authorities of the United States and Canada will keep each other fully informed on all matters relating to Civil Defence organization and planning in the two countries; that they will co-operate in matters relating to organization, legislation and regulations, material, equipment, supplies and facilities, training schools, pamphlets and methods; that they will exchange personnel at the working level and make available to each other the training facilities of their respective countries; that they will clear away all restrictions which would hinder the free passage of materials and personnel required for Civil Defence purposes across their international boundary; that they will work out arrangements for the closest possible co-operation between state and provincial Civil Defence organizations and between local Civil Defence authorities on opposite sides of the border.

"In short, to express the spirit of this Agreement and its purpose, the undertaking given by each country is that 'as far as possible, Civil Defence activities in the United States and Canada should be co-ordinated for the protection of persons and property from the result of enemy attack as if there were no border.'

"This opening sentence of the Agreement itself symbolizes, I believe, the spirit in which we in Canada and you in the United States will continue to co-operate on all matters relating to the protection of our civilian populations during the trying months and years that lie ahead. We have had the most reassuring evidence of this spirit of mutual aid and helpfulness in the discussions that we have been holding during the past two days on the implementation of this joint Agreement...."

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SCIENTIST TO BRISBANE: Dr. Leslie E. Howlett, Co-director of the Division of Physics, National Research Council, Ottawa, has been appointed Canadian delegate to the Brisbane meeting of the Australian and New Zealand Association for the Advancement of Science which is being held this year in connection with the Jubilee of the foundation of the Commonwealth of Australia.

He will leave Ottawa on May 8 and will be absent for about two months. While away he will visit scientific institutions in New Zealand, Australia, India, Pakistan, Italy, Denmark and the United Kingdom.

Dr. Howlett's work has been in the field of applied physics and particularly in optics where he is a recognized authority.

TORQUAY TARIFF NEGOTIATIONS

AGREEMENTS WITH 16 COUNTRIES: The Secretary of State for External Affairs, Mr. Pearson, announced on May 9 that Canada has successfully concluded trade agreements with sixteen countries in the course of the tariff negotiations which took place in Torquay, England, since last fall.

The Torquay agreements incorporate the results of no less than 147 separate two-sided tariff negotiations which were successfully concluded among the 34 countries taking part in the Torquay Conference. The new agreements constitute the third successful international effort since the end of the war to reduce tariffs and other barriers to trade under the auspices of the General Agreement on Tariffs and Trade. The Torquay Conference followed the same pattern as the Geneva Conference of 1947 and the Annecy Conference of 1949, and the most recent agreements are really an extension of the agreements drawn up in the previous years. Under the most-favoured-nation principle, all tariff concessions agreed to at Torquay will become available to Canada whether or not these concessions were negotiated directly with Canada. Similarly, Canada will automatically extend its own tariff concessions to each of the other participating countries.

The agreements concluded at Torquay are expected to increase the overall value of the General Agreement in a number of important ways. Firstly, arrangements were made to extend the Geneva and Annecy concessions for a further firm period of three years. Secondly, the General Agreement was expanded to include the following six new members: Austria, the German Federal Republic, Korea, Peru, the Philippines and Turkey. Finally, new tariff negotiations took place between present members to cover a broader range of commodities and in many cases to provide for further reductions on products previously negotiated. The new tariff concessions, together with the Geneva

"ESSENTIAL MATERIALS": The Department of Defence Production announced on May 4 that an Order-in-Council has been passed adding a number of metals and minerals to the list of materials declared essential under the Defence Production Act.

These include bismuth, cadmium, chrome, magnesium, manganese, mercury, platinum, titanium, vanadium, zirconium, corundum, fluorspar, graphite, mica, and quartz crystals.

The non-ferrous metals and minerals now on the essential list are of strategic importance and the supply situation in general is one of continuing shortages in relation to demand. It was stated that the declaration of these materials as essential does not mean immediate

and Annecy concessions, are to remain in force at least until January 1, 1954.

As part of the undertaking to extend the previous agreements for a further firm period of three years, countries had a right under the General Agreement to make modifications or withdrawals of previous tariff concessions and in a few cases concessions were withdrawn from Canada. In such instances, compensation was made by way of tariff concessions on other products so that the overall value to Canada of the previous agreements was not impaired. In this connection, it is important to note that the original tariff concessions exchanged among the United States, the United Kingdom, Canada and a number of other important countries were maintained in their entirety.

Canada was successful at Torquay in concluding a further important trade agreement with the United States, the fourth since 1935. The United States was on this occasion still governed by the Reciprocal Trade Agreements Act which empowers the President to reduce tariffs by not more than 50 per cent of the 1945 rates, so that the scope of the new agreement was limited to concessions on new products or on products for which the full powers had not been previously exhausted.

In addition to the important agreement with the United States, Canada completed successful negotiations at Torquay which broadened the previous agreements with France, Italy, Sweden, Norway, Denmark, the Dominican Republic, Haiti, Indonesia and India.

The tariff concessions agreed to at the Torquay Conference will come into effect on or after June 6. Those between Canada and the United States will come into effect on that date. It is expected that all the tariff concessions will be in force not later than November 20. The exact date on which Canada will extend concessions negotiated with the other countries depends on when the other countries are in a position to take similar action.

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control but is a preparatory step to ensure adequate supplies to meet the requirements of defence and other essential industries, not only in Canada but in other countries as well.

The list of metals and minerals covered by the Order-in-Council includes the twelve items previously declared essential under the Essential Materials (Defence) Act, which has been repealed and is now replaced by the Defence Production Act. Such important metals as aluminium, copper, nickel, lead and zinc were covered in the previous Order-in-Council, as well as antimony, cobalt, molybdenum ores, tin and tungsten. In the non-metallic minerals group were asbestos and diamonds.

MR. CLAXTON ON EXPANSION OF CANADIAN ARMY

A FORCE FOR EUROPE: The following is the text of the statement made in the House of Commons on May 4 by the Minister of National Defence, Mr. Claxton, on the expansion of the Army:

Mr. Speaker, last December the twelve nations who were partners under the North Atlantic Treaty decided to set up an integrated force in western Europe to deter communist aggression. General Eisenhower was appointed Supreme Commander.

As a party to the North Atlantic Treaty and in the interest of the defence of Canada, our Government indicated in the Speech from the Throne, that Parliament would be asked to authorize Canadian participation in the European integrated force.

In furtherance of this objective, I stated in the House on February 5 that it was proposed, if Parliament approved, to place in the integrated force in Europe elements of the Canadian Army. The statement went on as reported at page 95 of Hansard:

"The force we propose to send will initially be a brigade group or regimental combat team, and we hope that it may arrive at about the same time as the additional U.S. forces, but this may depend on events in Korea."

DEVELOPMENTS IN KOREA

Since then developments in Korea resulted in the decision to send the 25th Canadian Infantry Brigade Group to Korea. The situation in Korea does not warrant any assumption that that formation could be released to form part of the integrated force within a reasonable period.

Keeping our force in Korea up to strength will obviously continue to be the No. 1 army priority so long as any of our troops are engaged in actual combat.

We are further expanding the Canadian Army to meet that priority and other army tasks, including, subject to the approval of Parliament and the completion of firm arrangements in that regard with our north Atlantic associates, the provision of a force for western Europe.

This expansion will include the formation of an additional Canadian Army Brigade Group with supporting units.

The new formation, to be known as 27th Canadian Infantry Brigade Group, will be recruited around the framework of some of our famous reserve army units. It will be part of Canada's regular forces and its officers and men will serve under active force terms of service and conditions and thus will be eligible for service anywhere.

Fifteen reserve force infantry battalions have been selected on a broad geographical basis, each to sponsor the raising of one and later a second company for the new force.

Five highland, five rifle and five line battalions will thus be represented in forming a Canadian Highland battalion, a Canadian rifle battalion and a Canadian infantry battalion. Companies will be grouped to form battalions of the active force but will retain their own identity and officers and men will continue to wear the insignia of parent reserve force regiments.

The same principle will be applied to the Royal Canadian Artillery, reserve force regiments combining to raise the units forming the field artillery required in the force. Each battery will represent one of the selected reserve force regiments. Other supporting arms and services for the force will be represented in a similar manner.

The armoured squadron with the new force will be equipped with the latest types of tanks and equipment. The Royal Canadian Dragoons will provide initial armoured support for the brigade. However, certain reserve force armoured corps regiments will participate by providing active force elements which will commence training immediately and can look forward to service abroad. In the meantime, they will retain their unit identity and be attached to the armoured corps regiments of the active force....

CIRCUMSTANCES TO GOVERN

The present plan is that the new brigade group would be available to become a Canadian Army component of the European integrated force commanded by General Eisenhower. Since, as I have said, the top priority of the Canadian Army overseas is the support of our Brigade in Korea, no date can be fixed at present for the despatch of a brigade group to Europe. That decision will depend on circumstances as they develop, including the course of events in the Korean campaign, the speed with which the required troops are raised and trained, as well as developments in North Atlantic Treaty Organization.

It is also planned that the force to be raised will, in due course, include units to provide for the periodic rotation of officers and men for duty overseas and in Canada....

In appealing for the special force for Korea I said, "We must meet aggression with trained united strength." Expanding the Canadian Army in this way is part of the effort of our country and of our allies to prevent war and preserve peace. Trained united strength is needed to prevent aggression.

The appeal for the special force last August and September received a very good response. Since then the rate of recruiting for all three services has met requirements. To meet our needs we now want additional men. Recruiting will begin Monday.

(Continued from p. 1)

MR. PEARSON ON KOREA

Coming to a discussion of the Korean situation and outlook, Mr. Pearson spoke in part as follows:

"....The present Chinese attack must be broken before we can again begin to entertain any hope of a peaceful and honourable settlement there. When it has been broken, as we hope it will be, and with heavy losses to the enemy, the Chinese Communists may be in a mood to negotiate an honourable settlement--the only kind of settlement we have ever contemplated--or at least to desist from further attacks. While I think it would be quite unrealistic to hold out hope of an early settlement in Korea, or even of an early end to the fighting, nevertheless we should always remember that the United Nations stands ready to negotiate, though not to betray its trust or yield to blackmail.

"The statement of principles adopted by the General Assembly by an overwhelming majority on January 13 last, which would provide for a cease-fire to be followed by a Korean settlement and by the negotiation of a wide range of Far Eastern problems, still represents the considered opinion of the United Nations. If the Chinese Government and the North Korean Government wish to take advantage of the offer contained in that statement, it is open to them to do so. Of their willingness to do so, however, there is no sign whatever. The approaches made to Peking by the Good Offices Committee established by the United Nations Assembly have all been rebuffed. The North Korean Government, in a broadcast message as late as April 18, has repeated its determination to drive the United Nations forces from the peninsula. We can only hope that the heavy losses which the aggressors are now suffering and will suffer in Korea may produce a more accommodating frame of mind.

UN MILITARY OBJECTIVE

"In the meantime, the United Nations forces are heroically and skilfully fulfilling the task which has been given to them, which is the defeat of armed aggression in Korea. This is--and it should not be forgotten--the sole military objective of the forces of the United Nations in Korea, the defeat of aggression so that a free, democratic and United Korea can be established....

"Furthermore, Mr. Speaker, I suggest it is not an aim or objective of the United Nations in its Korean policy to interfere in the internal affairs of any Asian country, to replace one regime by another. Its aim, as I said, is to defeat aggression and so prevent other acts of aggression by proving that aggression does not pay....

"It is also sometimes loosely said that the United Nations forces are fighting in Korea to defeat Communism. There is perhaps some colour for this mistake, since the ag-

gression perpetrated is by communist states, and has its roots in the totalitarian communist nature of those states. Free men everywhere must be determined to resist Communism. But it is a confusion, I think, of categories to think that Communism as a doctrine or form of government must be fought by armed forces, or that such is the purpose of the United Nations military action in Korea....

"Since the United Nations objective in Korea, then, is to defeat aggression, it follows, I think, that the methods used should be designed to limit and localize the conflict and not to spread it. As long ago as August 31, 1950, I said in this House that it was not the purpose of this Government to support any course of policy which would extend the scope of the present conflict in Korea, a conflict which should be confined and localized if it is in our power to do that; also that United Nations policy should be to avoid giving anyone else an excuse for extending the conflict. Mr. Speaker, that is still our view.

MANCHURIAN AIR BASES

"One way by which the conflict could be spread would be by authorizing the United Nations Commander in Korea to conduct aerial bombing of China. As I said on April 26 last in the House, it is possible to visualize a situation in which immediate retaliatory action without prior consultation might be unavoidable in pursuing enemy bombers back to, and in attempting to destroy, the Manchurian air bases from which they came. It is our view, however, that the bombing, as well as the blockading, of China should, if at all possible be avoided, since such action would involve grave risk of extending the fighting without, as we see it, any corresponding assurance that such extension would end the war. The history, the position, the social and economic organization, and the political situation in China would not seem to give much hope for any such decisive result from such limited action. Indeed, it may be felt, on the contrary, that this limited action which has been suggested would inevitably develop into unlimited action against China, about the possible result of which the Japanese perhaps are best fitted to give testimony. One result we can, however, expect with some certainty, and that is great satisfaction in Moscow over such a development. It may be that the Chinese Communists, by indulging in massive air activity over Korea, will make some kind of retaliation necessary. They have, however, not yet taken such action, and in that sense have not yet conducted an all-out war against the United Nations forces in Korea....

"If the Chinese communists change that situation, the responsibility for the consequence would rest entirely with them and not with the United Nations forces....

"The question, I think, above all other questions at the moment, is, in short, whether

aerial bombardment of points in China, together with a naval blockade and the removal of all restrictions from Chinese forces in Formosa, would be sufficient to bring China's participation in the war in Korea to an end, without bringing about intervention by the forces of the Soviet union. It was felt by many last November that if United Nations forces advanced to the very borders of Manchuria and cleared north Korea of the enemy, the war would then end; that there would be little risk of communist China intervening, or, that, if it did, the intervention could be contained and defeated. As we know, and as I said last February in the House, it did not work out that way, for one reason or another. In the light of that experience, we should, I think, before we take any new decisions which will extend the war, be reasonably sure that this extension will have compensating military and political advantages. Let us not forget we would be playing for the highest stakes in history.

QUESTION OF FORMOSA

"Another way in which the conflict could be extended, in the hope that it would be ended sooner, would be by facilitating and assisting the return to the mainland of China of the forces at present in Formosa under the command of Generalissimo Chiang Kai-shek. We should remember, of course, that these forces, or forces under the same command, have been driven from China by their own countrymen... The question to be answered, therefore, is this: Is there any reason to believe that these Chinese Nationalist forces now in Formosa would have greater success in China than they had previously, unless they were supported by troops and equipment from other countries which could ill be spared for such a hazardous venture, with all its possible long-drawn-out consequences?....

"May I now say just a word in conclusion, Mr. Speaker, about our views--I have been asked about this in previous statements in the House--on the situation in Formosa. I believe that this island should be neutralized while fighting is going on in Korea. I have expressed that view previously. Certainly the United States of America cannot be expected to hand over Formosa to a Government of China while that Government is defying, and fighting against, the United Nations. It does not follow, however, that if and when the Korean conflict can be ended satisfactorily, we should refuse to discuss the future of Formosa within the context of international agreements that have already been reached concerning it, and indeed within the context of the United Nations charter. Any other course would, I think, result in implacable hostility between the United Nations and whatever government was in control of China at the time the war ended.

"Until that war ends, however, and China abandons her attack against the United Nations

in Korea, there can be, I think, no question of even discussing whether Formosa should be handed over to the Peking regime; at least that is our view. The same, I think, applies to recognition of that regime in Peking. There can be no question even of considering it while the Chinese defy the United Nations in Korea and fight against our forces there.

"Nor do we think it realistic or right, while communist China is fighting in Korea, to include the Peking Government in the current discussions of a Japanese peace treaty. In this regard, as in the case of the disposition of Formosa, the decision as to who shall talk and sign for China might well, I think--and even any discussion of this matter --be postponed until the Korean war is ended.

"These are two questions which I know are uppermost in our minds these days. What is going on in the Far East? What is the policy of the alliance which has been built up, and which is getting stronger every day, to meet the dangers ahead, and within that alliance what is the relationship of a junior partner like Canada to its neighbour and its very senior partner in this association, the United States of America? It is not easy these days to be too optimistic about the course of events; but time is going on, and while time is going on we are getting stronger. In that sense, but only in that sense, time may be said to be on our side if we take advantage of it. If we do take advantage of it, and if we grow stronger militarily, economically and in every other way, then I think, as I have said before, that we have no reason to regard the future with panic or despair. But the remedy, Mr. Speaker, rests with us."

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LUXEMBOURG'S THANKS: Monsieur P. Dupong, President of Luxembourg, has expressed his country's gratitude for Canada's recent contribution of 25-pounder field guns through the North Atlantic mutual aid programme.

* * * *

CORONATION ANNIVERSARY: The fourteenth anniversary of the coronation of His Majesty King George VI will be marked May 12, by a 21-gun salute fired by Active and Reserve Force artillery units at saluting bases across Canada.

* * * *

LABOUR FORCE UP 64,000: Canada's total civilian labour force was 64,000 greater in March this year than a year earlier, according to the quarterly survey by the Bureau of Statistics. The rise was accompanied by important shifts between the agricultural and non-agricultural segments, the former declining 97,000, and the latter increasing 161,000. Number of males in the labour force increased 19,000 in the 12-month period.



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WEEK'S EVENTS IN REVIEW

KOREA: The following questions and answers were recorded in the House of Commons on April 26 on the subject of retaliatory action in the event of bombing from Manchurian bases:

Mr. M.J. Coldwell (Rosetown-Biggar): Mr. Speaker, I should like to ask a question of the Secretary of State for External Affairs. Has Canada, as a participant in military action in Korea and as a member of the United Nations, been consulted regarding the announcement that enemy air bases in Manchuria will be attacked if the Chinese Communists use heavy air power against United Nations troops? If so, will the Minister make a statement in this connection?

The Secretary of State for External Affairs, Mr. Pearson: Mr. Speaker, in reply to the important point raised by the hon. member, I would say that so far as the Government is aware, no announcement on the subject has been made. The hon. member is presumably referring to a report in this morning's newspapers which is attributed to a spokesman for the United States Delegation at Lake Success.

Mr. Coldwell: That is right.

Mr. Pearson: However, I am very glad to have this opportunity of making a brief statement of the Government's position in regard to this matter.

Some five months ago the Government informed the United States Government, in response to an inquiry from that Government--they brought the matter up--that, though a strong case could be made under international law that the United Nations Commander in Chief had

(Continued on p.5 Col.1)

COMMONWEALTH DIVISION: The Minister of National Defence, Mr. Claxton, spoke as follows in the House of Commons on May 1 in announcing the formation of a Commonwealth Division in Korea:

"Mr. Speaker, I should like to make a statement on the formation of a Commonwealth Division in Korea.

"The 25th Canadian Infantry Brigade group, now on its way to Korea, will join other Commonwealth forces to form a Commonwealth Division. This was decided after discussion among the Commonwealth countries concerned and has been welcomed by the United Nations unified command as simplifying problems of administration and command in the theatre.

"The Canadian Brigade will make up one-third of the combatant troops. In addition, Canadian officers and men will form part of the staff of the Divisional Headquarters.

"The Division will consist of the following units: The 28th and 29th United Kingdom Infantry Brigades; the 25th Canadian Infantry Brigade group; the 3rd battalion Royal Australian Regiment; the 16th New Zealand Field Artillery Regiment, and the 60th Indian Field Ambulance Unit.

"The title of the Division will be 'The First (Commonwealth) Division, United Nations Forces', and the commander will be a United Kingdom officer, Major-General A.J.H. Cassels, C.B., C.B.E., D.S.O., late of the Seaforth Highlanders. The Division will use the administrative and maintenance facilities now under

(Continued on p.5 Col. 2)

FIRST INTERNATIONAL PAYMENTS DEFICIT SINCE 1930'S

\$316,000,000: Canada's current transactions in all goods and services with other countries resulted last year in an excess of all types of imports over all exports of \$316,000,000, according to the annual report by the Bureau on the Canadian balance of international payments. This deficit in the current account compares with current surpluses of \$187,000,000 in 1949, \$452,000,000 in 1948, and \$47,000,000 in 1947, and is the first deficit since the early '30's.

In relation to the present gross volume of trade, the report observes, the deficit is small, amounting only to eight per cent of the year's total current credits. The most recent previous period of deficits was from 1927 to 1933, but the circumstances and general background then and last year are not directly comparable. Last deficit of comparable size was \$337,000,000 in 1930, representing 26 per cent of current credits in that year and occurring at a time when export revenues were shrinking rapidly.

Principal reason for the net change of \$503,000,000 in current balance between 1949 and 1950 was a rise of 17 per cent in total current expenditures, from \$3,890,000,000 to \$4,545,000,000, as compared to an increase of only four per cent, from \$4,077,000,000 to \$4,229,000,000, in current receipts from goods and services.

The greatest rise last year in debits occurred in merchandise imports, the adjusted value of which increased by \$433,000,000, from \$2,696,000,000 in 1949 to \$3,129,000,000. About half of this rise was due to price increases and the remainder to a larger volume. At the same time, the adjusted value of merchandise exports rose \$150,000,000 from \$2,-

989,000,000 to \$3,139,000,000, the smaller increase being due to a higher level of export prices for a comparatively stable volume. The result was a net deterioration of \$283,000,000 in the balance of merchandise trade, the export surplus falling to \$10,000,000 from \$293,000,000 in 1949.

Adverse trends among all other current transactions accounted for the remaining change of \$220,000,000 in the net current account decline. Largest of these was an increase of \$74,000,000 in dividend payments, which rose to \$381,000,000 from \$307,000,000. The credit balance on travel account was down \$41,000,000, dropping to \$53,000,000 from \$94,000,000, and there was a deficit of \$14,000,000 on freight and shipping account as against a credit of \$50,000,000 the previous year. Transfers of migrants' funds and inheritances resulted in a small deficit of \$7,000,000 as against a surplus of \$13,000,000 in 1949, and the total debits on all other current transactions was \$45,000,000 greater. These adverse trends were only slightly offset by a rise from \$139,000,000 to \$163,000,000 in gold available for export.

Marked changes occurred during 1950 in Canada's current account balances with the United States, the United Kingdom and the rest of the sterling area, due largely to changes in the direction of Canadian exports. Canada's deficit with the United States declined from \$589,000,000 to \$394,000,000, while the surplus on current account with the United Kingdom dropped from \$439,000,000 to \$33,000,000 and the surplus of \$135,000,000 in 1949 with the rest of the sterling area was converted into a deficit of \$26,000,000.

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CANADA-U. S. PLANE TRAVEL UP: Travel by plane between Canada and the United States showed substantial increases in January as compared with the corresponding month last year, the gain being particularly large in the number of returning Canadian travellers, according to the Bureau of Statistics.

Bus travel was also heavier both in entries of foreign travellers and in the number of returning Canadians. Entries of foreign travellers from the United States by rail were more numerous but fewer came by boat, mainly on east and west coasts. There was a decline in the number of Canadians returning by rail but larger numbers returned by boat.

Foreign travellers entering Canada from the United States by plane in January totalled 9,638 as compared with 7,408 in the same month last year, by rail 30,093 compared with 29,774, bus 14,102 compared with 11,446, and by boat 1,318 compared with 1,348.

Canadians returning by plane in January numbered 10,194 compared with 5,613, rail 42,600 compared with 47,910, bus 34,888 compared with 28,785, and by boat 3,288 compared with 3,198.

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THUNDERBIRD SQUADRON C.O.: RCAF Headquarters on April 26 announced a new commanding officer for the famous 426 Thunderbird Squadron, which has been flying the Pacific airlift out of McChord Field, Tacoma, Wash., since July, 1950.

Wing Commander J.K.F. MacDonald, 34, of Antigonish, N.S., senior personnel staff officer at Air Transport Command Headquarters, Rockcliffe, Ont., is to take over the Thunderbirds effective June 1. He will replace Wing Commander C.H. Mussells, 30, of Montreal, under whose leadership the squadron has rolled up an impressive record on the airlift.

BUILD TRUCKS BY U.S. STANDARDS: Preparations for the partial manufacture and complete assembly of a limited number of 2½ ton and ¾ ton trucks has started in two Canadian plants, according to a statement made on April 27 by the Minister of Defence Production, Mr. Howe.

The initial order, to be completed in the current fiscal year, calls for approximately 456 of the ¾ ton trucks to be produced by Chrysler Corporation of Canada Limited, Windsor, and 780 of the 2½ ton trucks to be made by General Motors of Canada Limited. Both these types of vehicles will be built according to U.S. standards and specifications.

The placing of these orders at this time, Mr. Howe stated, resulted from studies undertaken to determine what types of mechanical transportation should be produced in Canada, in view of the decision to standardize on U.S. type equipment.

Mr. Howe went on to say that full tooling and production to meet the limited requirements of the three Canadian Services is out of the question at present. The possibility of securing U.S. orders for Canadian factories was carefully examined but there is excess capacity in that country for producing these types of vehicles. Nevertheless, some production must be undertaken in Canada in order to encourage the production of components in this country and to ensure the highest possible Canadian content in these vehicles. It is also important to make arrangements for some tooling-up in Canadian plants and to give Canadian industry an opportunity to become familiar with these types of vehicles.

* * * *

NATIONAL PRODUCT \$17.8 BILLION: The Bureau of Statistics has released revised estimates of gross national product, national income and expenditure, and personal income and expenditure for the year 1950. The new figures show that the value of Canada's production of goods and services reached a record total of \$17.8 billion in 1950 compared with \$16.4 billion in 1949, a rise of approximately nine per cent. If the effect of price changes is removed from the figures, the increase in the physical volume of production over 1949 is approximately 3.5 per cent.

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ATTACHE TO THE NETHERLANDS: Colonel T.A. Johnston, OBE, Ed, 43, present Director of Army Personnel at Ottawa, will take over as Canadian Military Attaché to The Netherlands in August, the Minister of National Defence, Mr. Claxton, announced on April 27.

He will succeed Colonel H.E.T. Doucet, OBE, 43, of Montreal, who has been Attaché in The Netherlands since June, 1948. A new appointment for Col. Doucet will be announced in the near future.

"NOOTKA" IN ACTION: A United Nations Naval Base in Japan, (April 27) -- The three Canadian destroyers serving with the United Nations fleet in the Far East were in port this week after another patrol period off the coast of Korea.

For HMCS Nootka (Cdr. A.B. Fraser-Harris, Halifax) the high spot of the patrol occurred when she bombarded Red installations in the Changsan Point area, southwest of Chinnampo on the west coast of Korea.

The Nootka steamed close inshore to carry out the bombardment and, firing at almost point-blank range, flattened the assigned targets with her four-inch guns. There was no return fire and, through binoculars, enemy personnel could be seen fleeing for the hills inland from the Nootka's target area.

The Canadian destroyer had been patrolling with the British cruiser Belfast and Australian destroyer Warramunga but was detached to carry out the bombardment.

Meanwhile, the other two Canadian destroyers, the Athabaskan (Cdr. R.P. Welland, Victoria), and Huron (Cdr. E.T.G. Madgwick, Ottawa and Halifax) were operating in another area, screening the aircraft carriers USS Bataan and HMS Theseus.

During this patrol the Athabaskan destroyed her 13th mine.

* * * *

CERTAIN CHEMICALS "ESSENTIAL MATERIALS":

The Department of Defence Production announced on April 24 that an Order-in-Council had been passed declaring certain chemicals to be essential materials under the Defence Production Act.

The most important chemicals covered by the Order-in-Council are sulphur and chlorine used chiefly by the Pulp and Paper Industry; benzol used as a raw material in the manufacture of plastics and synthetic rubber; and sulphuric acid which has widespread use throughout the chemical industry. Other important chemicals listed in the Order-in-Council are glycerine, formaldehyde, phenol, toluol, soda ash, caustic soda, phthalic anhydride and zinc oxide.

These chemicals, or the raw materials for making them, are now in short supply. By declaring them essential, the Government is taking the first step needed to ensure that defence and defence-supporting industries will not be forced to reduce production because of shortages in these basic materials.

The chemical industries of Canada are necessarily closely related with those of the United States and the Chemical and Explosives Division of the Department of Defence Production is co-operating closely with the National Production Authority so that there will be an equitable distribution of scarce materials in both countries.

IN PARLIAMENT THIS WEEK

AGREEMENT ON NEWFOUNDLAND BASES: The Prime Minister, Mr. St. Laurent, announced in the House of Commons on May 1 that Canada and the United States have reached "a reasonable compromise in an admittedly unprecedented situation" -- the modification of a 99 year lease held by the United States on four military bases in Newfoundland since 1941, when Newfoundland was a colony.

The Prime Minister spoke in part as follows:

"In seeking the modification of provisions of the lease, the Canadian Government recognized, as I have indicated, that we were asking the United States to give up legal rights of undoubted validity. As is customary in our discussions with the United States, the request was considered by the United States authorities on a higher plane than the plane of strict legality.

"Our two Governments decided to ask the Permanent Joint Board on Defence to examine and report on the Canadian request. The Board undertook an exhaustive study of the complex questions involved, and the United States members, on behalf of their Government, cooperated in a spirit of friendship in the search for a solution.

MODIFICATION OF AGREEMENT

"In March 1950 the Board formulated a recommendation which has now been officially approved by both Governments. This approval, which it is proposed to incorporate in an exchange of notes, will constitute a modification of the leased bases agreement. I am sure that all hon. members will share the appreciation felt by the Government of the decision of the United States to give up voluntarily certain rights which were legally conferred for ninety-nine years by the 1941 agreement, before Newfoundland became a Province of Canada.

"The recommendation of the Joint Board is in four parts which relate to income tax, customs and excise, postal privileges and the jurisdiction of the courts. I shall now table the recommendation and give a brief explanation of the effect of each part.

"First: Income tax. On June 12, 1950, a new double taxation convention between Canada and the United States was signed. It has been approved by the Parliament of Canada but is awaiting ratification in the United States. When it comes into force it will replace certain exemption provisions now in the bases agreement. In addition the Board recommends that the United States waive the exemptions given by the bases agreement on contractors' profits, on United States civilian employees of such contractors and on the families of these employees. This part of the recommendation will place income tax exemptions of United States personnel in Newfoundland on the same basis as in the rest of Canada.

"Second: Customs and excise. The United States will also waive duty and tax exemptions given by the bases agreement on: (a) contractor-owned equipment; (b) personal belongings and household effects of contractors and their United States employees other than on first arrival, and (c) individual purchases in Canada by United States personnel.

"Customs and excise exemptions for post exchanges and service clubs will continue, it being understood that the United States authorities will endeavour to increase purchases for these institutions in Canada and will take special steps to prevent abuse of privileges continued under the agreement.

"Third: Postal privileges. Originally Canada asked for replacement of United States military postal facilities by Canadian post offices. Although the United States authorities were not prepared to accede fully to this request, under the Board's recommendation the United States will not establish normal civilian postal offices and will limit the use of their Army Post Office system strictly to mail destined to United States territory or to other United States Army Post Offices.

JURISDICTION OF COURTS

"Fourth: Jurisdiction of the courts. This part of the recommendation covers four matters:

(i) The United States waives all rights of jurisdiction, permitted under the bases agreement, over British subjects and over aliens other than United States citizens;

(ii) The United States suspends for five years exercise of rights of jurisdiction over United States civilian personnel and all other rights conferred by article IV of the bases agreement, subject to revival on notice thereafter or in event of war or other emergency;

(iii) The Canadian Government will seek to amend the Visiting Forces (United States of America) Act to permit of compulsory attendance of witnesses at United States courts-martial;

(iv) The Canadian Government will seek legislation to protect security interests of the United States forces in Canada, as required under the bases agreement.

"The recommendation that the United States give up or suspend jurisdictional rights under article IV of the bases agreement is conditional upon the Canadian Government, with the concurrence of the Newfoundland Government, giving to the United States Government assurances that the new arrangements will in practice give United States officials in Newfoundland a degree of jurisdiction comparable to that which they have in fact exercised up to now. The Attorney General of Newfoundland has been consulted and he advises that there will be no difficulty about giving these assurances because, in fact, the United States officials

have exercised in a reasonable manner their jurisdictional rights under the bases agreement. They have not, for example, attempted to exercise the jurisdiction over Canadian citizens which the bases agreement gave them.

"What the condition and the assurances mean is that, in practice, members of the United States forces in Newfoundland will generally be dealt with by United States service courts, which is a reasonable and sensible arrangement in the circumstances. Corresponding treatment is in fact given to Canadian forces which may be stationed from time to time in the United States.

"The Board's recommendation will provide the occasion for the extension of the Visiting Forces (United States of America) Act as revised to Newfoundland and remove what is perhaps the most objectionable feature of the bases agreement, namely, the right of jurisdiction by United States courts over Canadian citizens.

"Referring to the recommendation as a whole, it meets most of the specific requests which the Canadian Government originally put forward. Obviously a negotiation of this kind required a willingness on both sides to give and take. In the view of the Canadian Government, the recommendation removes the features, most objectionable to us, of the taxation and jurisdictional rights conferred by the leased bases agreement.

"The Government will in due course be making to the House five legislative proposals flowing in whole or part from the recommendation..."

"The Government believes that on consideration, hon. members will agree that the solution which has been recommended by the Board is a reasonable compromise in an admittedly unprecedented situation."

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(Continued from P.1 Col. 1) KOREA

the right to retaliate against any air attacks launched from Manchuria, we considered it important, as indeed did other governments, that no military operations take place outside Korean borders without specific authority from the United Nations.

Since that time various aspects of the Korean operations have been the subject of discussions in Washington, as indeed I have indicated previously in the House, among representatives of the countries having forces in Korea.

So far, however, the Canadian Government has received no request for concurrence in any proposal to authorize United Nations retaliation upon enemy air bases outside Korea, probably for the very good reason that there has been no massive enemy air bombing from Manchuria. If there is such air intervention,

for the consequences of which the Chinese Communists would have to bear full responsibility, it is our view that those countries with forces in Korea, and participating in military operations there, should be consulted in regard to the implications of that action--that is, air bombing--and in regard to any retaliatory action which may be required to meet it.

RETALIATORY ACTION

However, it is of course possible to visualize a situation where immediate retaliatory action, without consultation, might be unavoidable in pursuing enemy bombers back to the Manchurian air base from which they came. The decision on the spot to take such immediate retaliatory action would presumably be based on overriding considerations of military security.

In any discussions regarding more general retaliatory action against Manchurian air bases, the decision to authorize such action would, as we see it, have to balance very carefully local military considerations against the risk of precipitating a further extension of the war and the effect of such an extension on the security of the United Nations forces in Korea, and the accomplishment of United Nations aims there.

Mr. Gordon Craydon (Peel): Is there any continuing conference of representatives of nations whose forces are engaged in Korea, through which these matters can be cleared at very short notice; or do they have to go through the long procedure of conferring among the governments of the various countries?

Mr. Pearson: No; the representatives of governments contributing forces to the Korean campaign meet almost daily in Washington, and on a level high enough to make it possible to get a decision almost immediately in respect of these matters.

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(Continued from P.1 Col. 2)
COMMONWEALTH DIVISION

the Australian Commander in Chief British Commonwealth Occupation Forces in Japan, Lieutenant General Sir Horace Robertson. The senior Canadian officer on the Divisional Staff will be the General Staff Officer, class I; and we have appointed Lieutenant Colonel E.D. Danby, D.S.O., to occupy that post. By a happy coincidence, he is also a Seaforth Highlander--of Canada.

"All Canadians, I am sure, will be pleased that our 25th Brigade will be joined with formations with which the Princess Patricias have already distinguished themselves, all to form a unit in which forces of Commonwealth countries will be fighting shoulder to shoulder to resist aggression in accordance with the aims of the United Nations.

NATIONAL STATISTICS

Activity in the Canadian mining industry was at a high level in January when production of 15 out of 16 of the country's leading minerals was higher than in January last year, the only exception being natural gas****Value of inventories held by Canadian manufacturers rose to a higher level in January, the Bureau of Statistics' index, on the base 1947=100, rising to 150.5 from 147.4 in the preceding month and 134.4 in the corresponding month last year****Goods moved briskly from wholesale to retail outlets in February, sales in the nine lines of trade for which statistics are available rising 24 per cent over a year earlier. The February index of dollar sales, on the base 1935-39=100, advanced to 303.1 from 244.8 a year earlier****Carloadings on Canadian railways continued steady during the week ending April 21, amounting to 79,932 cars as compared with 79,737 cars in the preceding week, but rose 8,007 cars or 11 per cent over the same week last year****Department store sales rose nine per cent during the week ending April 21 as compared with the corresponding week last year, according to preliminary figures****New motor vehicle sales and financing of sales of new vehicles continued at a high level in February. Sales in the month rose 44 per cent over a year earlier and the retail value advanced 67 per cent, while new vehicles financed rose eight per cent in number and 17 per cent in value****Estimated quantity of milk produced on Canadian farms in February amounted to 815,673,000 pounds, a decrease of 41,000,000 pounds from the same month last year. Advance information received from dairy correspondents points to a decline of 8½ per cent in the farm milk supply in March as compared with a year earlier****Stocks of creamery butter in nine cities of Canada on April 20 amounted to 4,666,000 pounds as compared with 18,942,000 on the corresponding date last year****The Bureau's composite price index of commodities and services used by farmers, including farm living costs, advanced fractionally from 203.5 for August, 1950 to 203.7 for January, 1951.

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\$500,000 FOR UN CHILDREN'S FUND: The Department of External Affairs announced on May 1 that the Government would shortly seek the approval of Parliament for a Canadian contribution to the work of the United Nations International Children's Emergency Fund. The proposed contribution would be in the amount of \$500,000 of which a maximum of \$210,000 is to be set aside for the purchase of Labrador salted codfish which is under government price guarantee.

The continuation of the Children's Emergency Fund for a further three-year period was approved by the General Assembly of the United Nations at its current session.

N.R.C. DUPLICATING LIGHTNING: Man-made lightning is being used in the Electrical Engineering Laboratory of the National Research Council to find out how transformers, insulators, cables, etc., stand up against the impact of sudden high voltages. These tests are of particular value to hydro-electric power companies and to designers and manufacturers of electrical equipment, the National Research Council has announced.

The new "surge generator", as the machine for producing artificial lightning is called, can build up an electric charge of more than a million volts and then release this tremendous energy in a single flash. What's more, the resulting voltage waveform can be studied by visual observation and by photographic recording capable of distinguishing events that may happen within a millionth of a second.

Various safety devices have been incorporated in the wiring so that both the apparatus and the people working with it are protected at all times. Interlocks have been installed at all entrances to the test area and also in the short-circuiting devices of the generator itself.

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ICAO ASSISTANCE AGREEMENT: The Secretary General of the International Civil Aviation Organization has announced the signing of the fifth ICAO technical assistance agreement. Mr. E.R. Marlin, External Relations Offices, has just signed this new agreement in Washington with the Ambassador of Thailand to the United States, His Royal Highness Prince Wan Waithayakon.

Under the terms of this agreement ICAO will provide a Civil Aviation Adviser to the Civil Aviation Board of Thailand, and fellowships to enable two Thailand pilots to study commercial flying abroad in order to become regular pilots in their national airline in the future.

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MARCH EXPORTS, IMPORTS UP: A summary of foreign trade figures for March released by the Bureau of Statistics shows an increase in the value of Canada's total domestic exports to \$290,200,000 from \$228,200,000 in March, 1950, and a rise in estimated total imports to \$342,600,000 compared to \$237,400,000.

Domestic exports to the United States increased in value to \$190,200,000 as against \$154,300,000, and to the United Kingdom advanced to \$39,700,000 compared to \$30,100,000 in March last year. Estimated imports from the United States amounted to \$245,900,000 as compared to \$160,900,000, and from the United Kingdom to \$30,400,000 as against \$32,700,000.

The import figures are only preliminary and subject to revision.



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

PACIFIC DEFENCE: The following question and answer on the subject of Pacific defence were recorded in the House of Commons on April 19:

Mr. Howard C. Green (Vancouver-Quadra): I should like to direct a question to the Secretary of State for External Affairs. Yesterday President Truman announced plans for working out a security agreement between the United States and Australia and New Zealand which apparently is to lead to a full-scale Pacific pact comparable to the North Atlantic Alliance. Will the Minister tell the House where Canada fits into this picture?

The Secretary of State for External Affairs, Mr. Pearson: The statement which was made by President Truman yesterday in Washington--and I believe statements were also made in New Zealand and Australia--referred to a proposed arrangement between the Governments of Australia, New Zealand and the United States for mutual security pursuant to Articles 51 and 52 of the United Nations Charter. The Canadian Government has been kept closely informed of those negotiations, and we have already indicated to the Governments of Australia and New Zealand that we welcome them as an important contribution to the defence of freedom by increasing stability in the area to be covered by these arrangements. That area was referred to by the Australian Minister for External Affairs in a statement to the House of Representatives in Canberra on March 14 last, when he said--and I am quoting from Mr. Spender's statement:

(Continued on p.4 Col. 1)

\$800,000,000 DEFENCE ORDERS: The volume of defence orders placed by the Canadian Government in the twelve months ending March 31, 1951 amounted to over \$800 million. This was more than three times the defence orders issued in the fiscal year 1949-50, which totalled \$245 million. These figures were released on April 18 by the Minister of Defence Production, Mr. Howe.

Forty per cent of the defence programme was accounted for by aircraft orders, amounting to about \$330 million in the fiscal year 1950-51. The bulk of the aircraft orders were for the F-86 Sabre jet fighter built by Canadair in Montreal and for the CF-100 all-weather fighter and the Orenda engine produced by A. V. Roe (Canada) Limited. The volume of aircraft orders nearly quadrupled in the fiscal year 1950-51 in comparison with the previous fiscal year.

Orders for electronics and communications equipment were next in importance, amounting to approximately \$90 million in the last twelve months of 1950-51. Two orders, one for radar equipment to be sent to Europe and one for a one-mile portable radio set developed in Canada accounted for more than half the total orders for electronics equipment.

The shipbuilding programme showed a spectacular increase from \$4 million in 1949-50 to \$79 million in 1950-51. The bulk of new shipbuilding orders was for minesweepers and anti-submarine escort vessels which are being built in nearly all the major shipyards in Canada.

(Continued on p.4 Col. 2)

SUPPLY CANADA-U.S. ARCTIC WEATHER STATIONS

LONGER-RANGE FORECASTS: Supply operations into joint Canadian-U.S. weather stations in the far northern Arctic archipelago have been completed, it was simultaneously announced on April 21 in Ottawa and Washington. Four transport aircraft, representing two each from the RCAF and USAF, have carried out the supply flights, and now are returning to their home bases. Similar operations have taken place each spring for the last several years.

These Arctic weather stations are jointly operated by the meteorological services of the Department of Transport and the United States weather bureau. They are manned by equal numbers of personnel from each Government. Personnel are changed approximately once a year, at either the spring or fall airlift. In addition to carrying weather station personnel in and out of these northern outposts, the transport planes carry food, equipment and mail.

The aircraft operated out of Resolute Bay on Cornwallis Island, and flew hundreds of tons of freight from there to the weather stations. Majority of the freight went to Mould Bay on Prince Patrick Island and to Isaachsen on Isaachsen Island, 100 tons or more being flown in each case. Lesser amounts were flown

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\$14,000,000 BOMBING RANGE: Agreement has been reached with the Provinces of Alberta and Saskatchewan for establishing a large RCAF bombing and gunnery range roughly 100 miles northeast of Edmonton, it was announced on April 19 by the Minister of National Defence, Mr. Claxton.

The range will cover an area of several thousand square miles. Air Force officials said it is necessitated by the high speed of modern jet aircraft and the long range of their weapons, including rockets and cannon, which result in a large increase in the danger area. There will continue to be a requirement for the existing bombing and gunnery ranges in current use.

The new range will also be used in connection with the development and evaluation of various forms of air weapons including particularly air-to-air rockets.

The range will lie to the east of the Northern Alberta Railway and will be roughly centred on Primrose Lake, stretching about 115 miles from east to west and 40 miles from south to north with the possibility of almost indefinite extension to the north if later required.

There are no settlements in the area and compensation will be paid for any property rights in trap lines, etc., affected.

Construction will be started immediately on necessary runways, operations buildings, and barrack blocks, etc.; at an estimated cost of \$14,000,000.

to Alert and Eureka, both on Ellesmere Island.

RCAF commitments were handled by two North Stars from Station Lachine, Montreal, operating under Air Transport Command, and which took off April 13 for Resolute. Good weather conditions were encountered and the aircraft completed their trips to the weather stations in a shorter period than expected.

The USAF Northeast Air Command, with headquarters at Pepperill Air Force base, St. John's, Newfoundland, was responsible for USAF commitments. Personnel, including ground and flight crews, and two C54 aircraft, performed this mission.

The weather reporting programme from these Arctic stations includes surface observations several times daily as well as upper air conditions to heights of 60,000 or 70,000 feet. The basic meteorological data obtained from these jointly operated stations is of fundamental importance in the development of the science of meteorology and is of assistance to the research meteorologists in attempting to solve the innumerable problems of weather movements. The ultimate result of such information will be accurate longer range forecasts.

"ONTARIO" LEAVES MELBOURNE: On Board HMCS Ontario, at Melbourne, Australia (April 19) -- This 8,000-ton Canadian cruiser, commanded by Commodore Hugh F. Pullen, of Oakville, Ont., is nearing the half-way mark in her 15-week, 15,000-mile spring training cruise to the Southern Hemisphere.

Today (April 19) the Ontario is in Melbourne, her third port of call on the Australian continent, and here her officers and men have encountered the same friendly hospitality accorded them in Brisbane and Sydney.

After a 10-day visit in Sydney, the longest period in port during the cruise, the Ontario left Monday morning, to the accompaniment of a host of invitations, formal and informal, to return.

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INDUSTRIAL DISPUTES: Although there were more work stoppages arising from industrial disputes in Canada during March, 1951, than in the preceding month, there was a drop in the amount of time lost, according to a preliminary summary of strikes and lockouts issued on April 20 by the Minister of Labour, Mr. Gregg.

Preliminary figures for March, 1951, show 27 strikes and lockouts in existence involving 4,754 workers with a time loss of 15,135 man-working days, as compared with 18 work stoppages in February, 1951, with 4,508 workers involved and a time loss of 18,878 days. In March, 1950, there were 22 strikes and lockouts involving 5,600 workers with a time loss of 25,041 days.

DECLARES NEWSPRINT "ESSENTIAL MATERIAL":

The Minister of Defence Production, Mr. Howe, announced on April 18 the appointment of Mr. R.M. Fowler, President of the Canadian Pulp and Paper Association, as Director of a newly formed Pulp and Paper Division of the Materials Branch of the Department of Defence Production. Mr. F.L. Mitchell and Mr. J.M. Smith, also officers of the Canadian Pulp and Paper Association, will be associated with Mr. Fowler in the new division.

Mr. Howe also advised that an Order-in-Council had been passed declaring newsprint, mechanical and chemical pulps as essential materials under the Defence Production Act.

It was explained that the main reason for such a declaration was to ensure that the Government could more carefully scrutinize and if necessary regulate the international trade in these important commodities.

Canada is a member of the Central Group of the International Materials Conference and will undoubtedly be a member of any Pulp and Paper Committee established under these auspices. The recommendations of such a Committee would have an important bearing on the international pulp and paper position. If the Government is to consider sympathetically recommendations for increased production, conservation or distribution, some measure of control over Canadian supplies will be necessary. It is for this reason that the Government felt it desirable to declare newsprint and pulps as essential materials.

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RAIL REVENUES AT NEW PEAK: Operating revenues of Canadian railways in December reached a new high for the month at \$84,344,191, an increase of 10.6 per cent over the \$76,283,389 earned for the same month in 1949, and compares with the previous peak of \$77,483,353 in December, 1948.

Freight revenues for the month amounted to \$64,836,417 or 10.3 per cent over the December, 1949, figure of \$58,771,453. Mail account, with higher back pay credits and increased mail pay, rose to \$1,697,316 from \$1,020,315. Express receipts advanced 2.9 per cent, totalling \$3,749,109 as compared with \$3,642,046 a year earlier.

Total operating expenses rose 9.4 per cent in December to \$72,756,533 -- also a new peak for the month -- as compared with the revised December, 1949 figure of \$66,518,466.

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MONTH'S CHEQUES \$7,983,640,000: Financial payments in the form of cheques cashed against individual accounts rose sharply in February over the same month of 1950, totalling \$7,983,640,000 as compared with \$5,999,800,000. The expansion was general throughout the country, increases being recorded in each of the five economic areas and in 33 of the 34 cities for which statistics are available.

RECORD FOREIGN TRADE: Canada's foreign commodity trade continued at record levels in February. Both imports and exports were at new peak values for the month, and for the ninth time in the last 12 months the value of imports exceeded that of exports in trade with all countries.

The overall import balance on the month's trade amounted to \$37,300,000 as against an export surplus of \$1,400,000 a year earlier. In the two months ended February the Import surplus amounted to \$75,700,000, comparing with an export surplus of \$13,200,000 a year ago. Most of this change was due to an increased balance of imports from the United States, although there was a decline in the export balance to overseas countries as well.

Merchandise imports in February were valued at \$274,200,000, a gain of 37 per cent over last year's February total of \$200,200,000. When combined with the 54 per cent increase in January to \$327,200,000 from \$211,900,000 in January last year, the total for the first two months of the year rose to \$601,400,000 from \$412,100,000 or by about 46 per cent.

Domestic exports in February at \$233,900,000 were 17 per cent above \$199,500,000 in February a year ago, and in January rose 29 per cent to \$285,100,000 from \$221,200,000 a year earlier, bringing the two-month total to \$519,000,000 against \$420,600,000. Foreign exports in the month were up slightly to \$2,900,000 from \$2,100,000, and in the two months advanced to \$6,600,000 from \$4,600,000.

Imports from the United States continued the gains of the previous nine months over a year earlier, and at \$199,000,000 were nearly two-fifths higher than in February, 1950. Domestic exports at \$152,400,000 were up 18 per cent, and the foreign export total rose \$1,000,000 to \$2,500,000. The adverse balance of trade with the United States on commodity account thus increased to \$44,100,000 against \$12,800,000 a year earlier, and for the two months was \$87,100,000 compared to \$34,400,000.

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W.H.O. DELEGATION: Dr. E. A. McCusker, M.P. for Regina and Parliamentary Assistant to the Minister of National Health and Welfare, will head the Canadian Delegation to the Fourth Assembly of the World Health Organization, the Minister of National Health and Welfare, Mr. Martin, has announced.

The alternate delegates are Dr. Pierre Gauthier, M.P. for Portneuf, and Dr. F. D. Mott, Deputy Minister of Public Health for Saskatchewan.

Advisors will be Dr. J. B. Baddock, a member of the Department of National Health and Welfare's medical staff at The Hague, and a representative of the Department of External Affairs.

The meetings of the Assembly, governing body of the W.H.O., will be held in Geneva, Switzerland, beginning May 7.

(Continued from p. 1 Col. 1)

PACIFIC DEFENCE

"The objective has been to obtain an arrangement which will benefit the whole of the western Pacific area, guaranteeing friendly aid and protection in the event of a renewed threat of attack."

Yesterday in his statement President Truman did say that these arrangements constitute initial steps, not, as I understood him, necessarily to a Pacific pact, but initial steps in the consolidation of peace in that area. If these negotiations are extended to cover anything like a Pacific pact analogous to the North Atlantic pact, naturally the Canadian Government would be interested; but we have received no indication that these additional negotiations are going to take place.

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CRUDE PETROLEUM: All-Canada output of crude petroleum and natural gasoline continued at a high level in January this year, amounting to 2,996,293 barrels as compared with 1,924,364 a year earlier, and was exceeded only by the all-time monthly peak of 3,186,043 barrels in November, 1950.

Alberta accounted for 2,863,731 barrels in January as compared with 1,836,812 a year ago. Production from the Redwater field more than tripled, totalling 1,394,380 barrels as against 448,978, while Leduc's output declined to 841,877 barrels from 899,394, Turner Valley to 325,906 barrels from 349,025, and Lloydminster to 56,518 barrels from 60,422.

The month's output from wells in Saskatchewan amounted to 101,869 barrels as compared with 60,838 in January, 1950; Ontario, 20,774 barrels compared with 22,905; Northwest Territories, 8,611 barrels compared with 2,374; and New Brunswick, 1,308 barrels compared with 1,435.

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FIRST WINGS TO NATO CADETS: The first cadets from the North Atlantic Treaty Nations being trained at RCAF flying schools will receive their wings next month, it was announced on April 23 by Air Force Headquarters.

About 20 navigators from NATO nations are scheduled to receive their wings at the RCAF's Air Navigation School, Summerside, P.E.I., Friday, May 4. Approximately 60 pilots will take part in a similar ceremony at the basic pilot training school at Centralia, Ontario, on Friday, May 18. A third wings presentation is slated for June 1 at Summerside, when 20 more NATO navigators will finish their course.

Aircrew from five continental NATO nations -- Norway, France, the Netherlands, Belgium and Italy -- have been training at RCAF schools since early last Autumn. Trainees from Belgium, Italy and Norway will be represented at the Summerside navigation school ceremony, and all five of the continental nations will be represented at the Centralia ceremony. RCAF pilots

will also be presented with wings at the Centralia ceremony.

The training aid by Canada to NATO nations has been described by the Minister of National Defence, Mr. Claxton, as an important part of this country's contribution to over-all security. Original plans called for approximately 100 aircrew from the continental nations and 200 RAF aircrew to be trained by the RCAF during 1951. Canada's offer was later increased by 1,100 a year and it was recommended by the Standing Group that all additional training vacancies available during 1951 be allocated to RAF trainees.

RAF aircrew trainees are at present being trained at Gimli, Manitoba.

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(Continued from p. 1 Col. 2)

\$800,000,000 DEFENCE ORDERS

Contracts were placed in the last fiscal year for military construction costing about \$68 million, compared to \$29 million in 1949-50. These figures include expenditures on the repair and maintenance of military establishments but new construction of airports, buildings and other installations accounted for most of the volume of defence construction.

Orders for military vehicles and other automotive equipment amounted to \$65 million in 1950-51, more than five times as great as 1949-50 orders.

Comparative figures on other major programmes are:

	1949-50	1950-51
Clothing and equipage	\$17,000,000	\$33,000,000
Building supplies and equipment	13,000,000	23,000,000
Ammunition and explosives	2,000,000	23,000,000
Fuel and lubricants	26,000,000	20,000,000
Weapons	672,000	19,000,000
Food and other subsistence	10,000,000	13,000,000

In addition there were orders placed in the last fiscal year for \$40 million worth of a wide variety of miscellaneous equipment and supplies ranging from bulldozers to white mice. Orders for comparable equipment in 1949-50 amounted to \$25 million.

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R.N.C. CLOSING EXERCISES: Vice-Admiral Harold T.W. Grant, CBE, DSO, RCN, Chief of the Naval Staff, will take the salute and deliver the address at the closing Exercises to be held at the Canadian Services College, Royal Military College, Kingston, on Friday, April 27. It will be the first time a naval officer has performed this function since Royal Military College became a tri-service college in 1948.

IN PARLIAMENT THIS WEEK

RECRUITING OF WOMEN: The Minister of National Defence, Mr. Claxton, announced in the House of Commons on April 24 that it had been decided to recruit a limited number of women for the regular Air Force and for the reserve force of the Navy, Army and Air Force. The following is the text of the Minister's statement:

"Experience in the last war demonstrated that there were a number of jobs in the armed forces which would be filled very satisfactorily by women, but it was recognized that there were disadvantages connected with their employment in peacetime in relatively small armed forces. For one thing the career opportunities were not likely to be great enough to attract women having the necessary qualities of leadership to meet a large increase in the event of war.

"For this reason following the conclusion of hostilities the women's corps in the Canadian Navy, Army and Air Force were not set up as part of the new peacetime forces.

"But now, with the expansion of our armed forces, there is a real need for a limited number of women to carry out duties for which they are specially fitted.

DUTIES FOR WOMEN

"In all three services there are a number of such duties which experience has shown can be done as well or better by women than by men. Clerks and stenographers are obvious illustrations. There is also a whole new group of occupations related to radar and communications. Ground control of ships or aircraft or anti-aircraft guns requiring the use of radar involves, in addition to the operators themselves, personnel to compute the course of the moving ships or aircraft. Moreover, today practically all non-operational telecommunications are carried on by teletype. Active and reserve units are hooked up in nationwide networks involving the employment of large numbers of skilled personnel. A large part of this work can be very well done by women.

"Further, in the event of a general war, manpower shortages would make it essential to employ women on an even larger range of duties in the armed forces for which it would be desirable now to have a relatively small nucleus.

"Accordingly, we have decided to recruit a limited number of women for the regular Air Force and the reserve forces of the Navy, Army and Air Force.

"It is not expected that there will be separate corps or establishments for women at the outset. In a unit or formation they will fill a place normally filled by a man.

"No women will be enlisted to do clerical work at headquarters. So far as possible we

will continue to have this work done by civilians.

"It is expected that recruiting will commence this summer."

PASSPORTS: The following question and answer on the subject of passports were recorded in the House of Commons on April 24:

Mrs. Ellen L. Fairclough (Hamilton West): In the absence of the Secretary of State for External Affairs, I should like to direct a question to the Prime Minister, in view of the announcement made on the radio today and in the morning paper with reference to statements of Benjamin Gitlow in the United States un-American activities probe. I wonder if the Prime Minister would give assurance that conditions which prevailed a few years ago, and which permitted Gitlow to procure a Canadian passport, although he was a United States citizen, do not now exist, and that such a thing could not now happen? Is there sufficient surveillance of applicants for passports so that this situation could not recur?

The Prime Minister, Mr. St. Laurent: I do not know just what may have happened a few years ago but I know that for the last four or five years close attention has been given to tightening up the regulations with respect to the issuing of passports. I would hope that we have now closed all the loopholes that were discovered in the regulations which were in effect some years ago. I think that we now have pretty strict control, and the general indication is that in any case of doubt about an application the Secretary of State for External Affairs himself should be consulted.

REPORTED ARREST OF MISSIONARY SISTERS: The following statement relating to the arrest of Canadian Missionary Sisters in China was made in the House of Commons on April 24:

Mr. Jean Lesage (Parliamentary Assistant to the Secretary of State for External Affairs): On Friday last the hon. member for Kamloops (Mr. Fulton) asked me if the Department was in possession of any information on the reported arrest early last week of further Canadian Missionary Sisters. I have made thorough inquiries, and find that there is no information to that effect.

BUDGET APPROVED: The Budget was approved in principle in the House of Commons this week, when, on April 24, the C.C.F. sub-amendment was defeated 127 to 53, and, on April 25, the Progressive Conservative main amendment was defeated 147 to 56. (For texts of respective motions see C.W.B., April 20)

NATIONAL STATISTICS

U.K., PEARL HARBOUR TRAINING CRUISES: Three separate cruises to the United Kingdom and a similar number to Hawaii will highlight a summer sea training programme announced by Naval Headquarters as being the most comprehensive ever undertaken by the Royal Canadian Navy.

Twenty craft of varying sizes will be engaged during the summer months in providing sea training for personnel of the RCN, RCN (Reserve) and the University Naval Training Divisions.

Three cruises to the United Kingdom will be made in company by the destroyer Crescent and the frigates La Hullose and Swansea. Each lasting a little over a month, they will begin from Halifax on May 21, July 2 and August 13. Ports of call in the U.K. will include Portsmouth, Rosyth, Belfast, Swansea and Plymouth.

On the west coast, the destroyer Crusader and frigates Beacon Hill and Antigonish will make three three-week trips to Pearl Harbour, sailing from Esquimalt, B.C.; on May 16, June 27 and August 8. In addition, the three ships will carry out six shorter training cruises in local waters.

Less than two weeks after her return to Esquimalt June 7 from an extended cruise to Australia and New Zealand, HMCS Ontario enters into the summer training programme. On June 18 the cruiser will sail on the first of a series of 10-day training cruises to ports in British Columbia and California.

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UNIVERSITY ENROLMENT: Enrolment in Canadian universities and colleges has been dropping gradually in the past three academic years due to the graduation of large numbers of student veterans who were in receipt of educational benefits from the Department of Veterans' Affairs.

According to preliminary figures released by the Bureau of Statistics there were 68,000 students enrolled in the opening session of the 1950-51 term, including 7,000 war veterans in receipt of educational benefits. In 1949-50, enrolments totalled 74,503. The 1950/51 total, excluding the assisted veterans, was about 70 per cent higher than 10 years ago, when enrolment approximated 36,000.

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FISHERIES APPOINTMENTS: The federal Department of Fisheries has announced the appointment of Dr. William M. Sprules, as chief of its Fish Culture Development Branch, and Earl Elyth Young, as assistant chief of its Protection Branch. Both are responsible to the Director of the Conservation and Development Service of the Department, Dr. A.L. Pritchard.

Foreign vehicles entering Canada on traveler's vehicle permits increased 32 per cent in March, numbering 62,717 as compared with 47,711 in the corresponding month last year. The sharp rise in the month was due to the heavy traffic on the Easter week-end which fell in March this year but in April last year. During the first three months of the year, a total of 142,583 vehicles entered the country, a rise of 16 per cent over last year's figure of 122,902. Department store sales rose 19 per cent during the week ending April 14 as compared with the corresponding week last year, according to preliminary figures. There were 1,525,014 adults and children admitted to 719 public hospitals in Canada in 1949, an increase of nearly seven per cent over the preceding year. Estimated expenditures by all authorities on the construction, maintenance and administration of Canada's highway systems, including bridges, ferries, etc. rose to a record total of \$270,169,942 in 1949 -- including Newfoundland for the first time -- as compared with \$265,802,214 in 1948. Visible supplies of Canadian wheat in store or in transit in North America on April 12 totalled 181,177,446 bushels as compared with 184,514,360 a week earlier, and 131,765,036 on the corresponding date last year. The gross value of production of the synthetic textiles and silk industry of Canada in 1949 reached a record total of \$124,125,000.

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EMPLOYMENT INCREASE: The increase in employment usual at this time of year continued in the latter half of March, as an increasing number of workers were hired by farmers, building contractors, trucking and lake shipping firms. At the same time, woods workers were still being released for employment in other industries, as the cutting season in most logging districts in eastern Canada came to an end, the Minister of Labour, Mr. Gregg, announced on April 23.

On April 5, applications for work on file with the National Employment Service totalled 283,100 or about 5 per cent of the labour force, as compared with 293,400 on March 22.

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AIR MEMBER AT JOINT STAFF: Air Commodore Martin Costello, commander of the RCAF's Tactical Group at Winnipeg for the past four years, has been appointed Air Member at the Canadian Joint Staff, London, Eng., it was announced on April 19 by Air Force Headquarters. Air Commodore Costello will replace Air Commodore J.L. Hurley whose new appointment will be announced later.



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WEEK'S EVENTS IN REVIEW

JAPANESE PEACE TREATY: There is "a broad measure of agreement" between the views of the Government of Canada and those of the Government of the United States on the basic issues of the Japanese peace treaty, the Secretary of State for External Affairs, Mr. Pearson, said in the House of Commons on April 17 in reply to a question concerning the treaty.

The brief discussion on the subject was recorded as follows:

Mr. L. T. Stick (Trinity-Conception): I should like to ask a question of the Secretary of State for External Affairs. Has he anything to add to the statement with regard to consultations on the Japanese peace treaty which he made in the House on April 2?

The Secretary of State for External Affairs, Mr. Pearson: I have only this to add, that we have received a draft treaty from the United States Government, and we have made a careful study of it. The observations of the Canadian Government with respect to it will be forwarded shortly to Washington. I might also say at this time that there is a broad measure of agreement between our views and those of the United States Government on the basic issues of the treaty. It is our expectation that after the views of the governments concerned have been submitted to the United States Government there will be further consultation, with the object of concerting future procedure.

Mr. Gordon Graydon (Peel): Is it the intention to have any kind of conference among the

powers in connection with this matter?

Mr. Pearson: It has not yet been decided whether the Japanese peace treaty will be signed at a formal conference, or will be signed separately by governments, with the Japanese Government, as a result of negotiations among themselves.

Mr. W. J. Browne (St. John's West): I should like to ask a supplementary question. In today's Ottawa Citizen there is a statement to the effect that the United Kingdom had submitted a draft treaty to the United States. Has that also been submitted to Canada, and can the Minister say whether the Government of Canada is in agreement with the terms of that draft treaty?

Mr. Pearson: I understand that the comments of the United Kingdom Government on the American draft have taken now the form of another draft treaty submitted by the United Kingdom Government. That United Kingdom draft has been submitted to us, but I have not yet had an opportunity to see it. In fact I am not sure whether it has actually arrived in the Department.

Mr. Howard C. Green (Vancouver-Quadra): Is the question of a Pacific defence pact included in these discussions?

Mr. Pearson: No, not in discussions of the Japanese peace treaty.

(For text of Mr. Pearson's statement of April 2 with regard to consultations on the Japanese peace treaty, see C.W.B. of April 6, page 6.)

OFFER OF SCHOLARSHIPS UNDER COLCOMB PROGRAMME

CANADA'S OBLIGATION: The Government of Canada recently informed the Council for Technical Co-operation in Colombo that it wished to proceed immediately with the granting of fellowships for study and training in Canadian institutions under the Programme for Technical Co-operation in South and South-East Asia. Canadian High Commissioners in New Delhi and Karachi and the Canadian representative on the Council in Colombo have now been instructed to inform the governments of countries participating in the programme of a specific offer of scholarships at Canadian universities, or fellowships for training or observation for persons in professional or administrative employment.

An indication has been given of the approximate number of candidates who can be placed in Canada in various fields related to the economic development programmes of the countries concerned. For the initial stages of this programme, twenty-five has been suggested as the number for India, fifteen for Pakistan, ten for Ceylon and ten for non-Commonwealth countries. It is hoped that applications will be received during the next three months so that arrangements can be made to place those selected in September.

An Advisory Panel responsible for the general direction of this programme in Canada has been set up under the chairmanship of Dr. O.E. Ault, Director of Personnel of the Civil Service Commission. Other members of this Advisory Panel are:

Dr. David Thomson, Dean of Graduate Studies, McGill University; Dr. L. Lortie, Professor of Chemistry, University of Montreal; Dr. C.T. Bissell, Assistant to the President, University of Toronto; Dr. James Gibson, Professor of History, Carleton College.

The figures given are merely an indication of the approximate number which it is thought can be placed in Canada in various specific

fields at present. Candidates for these scholarships and fellowships will be nominated by their Governments. Scholarships will be awarded to persons qualified to take a post-graduate course or to do research work at a university in Canada, while fellowships will be awarded to persons of or trained for the professional, administrative or executive level of employment.

Awards will be made in a number of fields related to development programmes of the countries of South and South-East Asia. Some of these are agriculture, civil, chemical and mechanical engineering, geology, public health and medicine, factory management, fisheries, forestry, statistics and public administration.

The Canadian Government will arrange and pay out of the funds already voted by Parliament for the Colombo Programme for Technical Co-operation travelling expenses from the port of disembarkation in Canada to Ottawa or the place of study, university fees, lodging and subsistence allowances, local travelling authorized in Canada and home passage to the recipient country. The length of time to be spent in Canada by recipients of these awards will vary, but will normally be for a maximum of one year.

Five awards in the field of medicine are already slated to go to candidates sponsored by the Government of India, three for fellowships in health administration, maternal and child welfare, and medical education, and two for scholarships in nutrition and dietetics and pathology and tuberculosis.

This is only one aspect of the fulfilment of Canada's obligations under the Programme for Technical Co-operation in South and South-East Asia. Efforts are also being made to meet the requests for Canadian technical experts and for the placement of trainees in Canadian industries.

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JAPANESE AGENCY FOR CANADA: The Department of External Affairs announced on April 12 that the Canadian Government had informed the Supreme Commander for the Allied Powers and the Japanese Government that it would agree to the establishment of a Japanese Overseas Agency in Canada. Similar Japanese agencies are now operating in four key cities in the United States and in other countries in Europe, Asia and South America.

The Agency will be limited to semi-consular and commercial functions and neither the Agency nor its personnel will have diplomatic or consular status. It will not act on behalf of the Japanese Government in making official representations to the Canadian authorities except for the administrative conduct of the Agency itself.

The main functions of the Agency will include:

- (a) semi-consular functions including assistance to Japanese nationals residing in Canada in matters of Japanese citizenship and property regulations which may concern them;
- (b) the supplying of trade and travel information to Canadians;
- (c) the promotion of trade between Canada and Japan.

The appointment of Japanese official agents abroad was discussed for some months in 1949 in the Far Eastern Commission, the policy-making body for Japan on which Canada is represented. With the exception of the Soviet representative, general approval was expressed for the limited participation of Japan in

international relations prior to the conclusion of a peace treaty, under the authority of the Supreme Commander for the Allied Powers. It was generally considered that Japanese participation in the work of international bodies and contact with other countries would contribute to the aims of the occupation.

The trade promotional activities of a Japanese Overseas Agency in Canada should work to the advantage of both countries by increasing the flow of trade between them and by helping to eliminate some of the difficulties that have arisen in the past due largely to a lack of information about regulations or market requirements. It will complement Canada's official trade representation in Tokyo which was re-established in 1946.

It is expected that the Japanese office will be located initially in Ottawa.

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TELEVISION SALES RISE: Television is becoming increasingly popular in Ontario but there is no apparent lessening of interest in radio reception, judging by figures on producers' sales of radios and television sets by the Bureau of Statistics.

Producers sold 3,820 television receivers in January -- almost exclusively in Ontario -- as compared with 461 a year earlier, and the value at list prices was \$1,955,882 against \$193,228. Radio sales in the month totalled 50,685 units at \$4,405,112 against 37,812 at \$3,029,810.

Sales of TV sets in the Toronto-Hamilton area totalled 1,767 units at \$942,801 and in the Windsor area numbered 1,508 units at \$741,565. In the Niagara Peninsula 422 units were sold for a total of \$209,256, and sales in all other sections of Canada numbered 123 at \$62,260. Ontario sales in January last year totalled 451 units.

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UN STUDENT INTERNE PROGRAMME: The Department of External Affairs announced on April 16 that the United Nations Student Inteme Programme for the year 1951 would be held jointly at Geneva and at Lake Success. The Geneva programme is from June 25 to August 17 and the Lake Success programme from July 9 to August 31.

The purpose of this programme is to provide students interested in the field of international affairs with a working study of the organization of the United Nations and its Secretariat. Intemes are assigned to posts in almost all sections of the Secretariat.

In 1950 a Canadian was selected to attend each programme. It is expected that two intemes will also be selected from Canada this year. Intemships are open to graduate students in the final year of a degree course. They carry a value of \$300, equivalent to a payment of \$37.50 per week for eight weeks.

ROCKINGHAM'S BRIEFING: Special Force commander, Brig. J.M. Rockingham, utilizing a lesson learned during the last war, has seen to it that troops of his brigade are thoroughly in the picture on conditions in Korea and their future role in that Far East theatre of operations.

When he returned recently from a 10,000-mile trip by air, jeep and foot to the front line in Korea, one of his first jobs was personally to brief the men of the brigade.

In the briefing, Brig. Rockingham stressed many factors, chief among them the need for physical toughness, a thorough knowledge of map-reading and the compass, and a thorough job of vehicle maintenance.

"Their so-called main supply roads," he told the troops, "are that in name only. They are narrow and rough and therefore thorough vehicle maintenance will be one of our vital requirements.

"Physical fitness will be important in climbing those hills. If you can climb the hills and fight when you get to the top, we should beat them every time."

The enemy troops, he said, are tough and well dug in. . . "you can't see the smoke or flash of their weapons."

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ICAO MISSION TO ETHIOPIA: A four-man ICAO technical assistance mission will be sent to Ethiopia to help develop air transportation in that country, according to an announcement made at International Civil Aviation Organization headquarters in Montreal.

The mission will be headed by Stuart Graham, one of Canada's first commercial pilots, veteran of 32 years of civil aviation development in Canada and now member of the Air Navigation Commission of ICAO.

The mission to Ethiopia is the second sent out by ICAO in its participation in the United Nations technical assistance programme and it will commence its work about April 20, 1951, in Addis Ababa. The first mission was sent to Iran.

* * * *

WHEAT SUPPLIES: Wheat supplies remaining on or about March 1 this year in the four major exporting countries -- United States, Canada, Australia, and Argentina -- for export and carryover at the end of their respective crop years amounted to 1,036,000,000 bushels, a rise of about 11 per cent over last year's corresponding total of 933,000,000 bushels, according to the March issue of the Wheat Review by the Bureau of Statistics.

There were larger supplies this year than last in the United States and Canada but smaller amounts in Australia and Argentina. Unusually large proportions of the current supplies in Canada and Australia consist of low-grade wheat.

THE WEEK IN PARLIAMENT

THE BUDGET DEBATE: The following are the proposed amendment and the proposed sub-amendment submitted by the Progressive Conservative and C.C.F. parties, respectively, in the House of Commons, on the resumption of the Budget Debate, April 16.

Progressive Conservative proposed amendment, submitted by Mr. J.M. Macdonnell (Greenwood):

"The proposals of the Minister of Finance are unsatisfactory because they will inevitably increase the cost of living for all and especially for those least able to bear it.

"This House condemns in particular, as inflationary, the increase by 25 per cent of the general sales tax and is of the opinion that the increase is unnecessary and unwise.

"This House further condemns the heavy increase in excise taxes on certain essential commodities and is of the opinion that much of the Government's proposed huge increase in taxation is due to its own extravagance.

"This House regrets the failure of the Government to take effective steps to deal with profiteering."

C.C.F. proposed sub-amendment, submitted by Mr. M.J. Coldwell, C.C.F. Leader:

"This House further regrets the failure of the Government to exempt from the proposed 20 per cent defence surtax the incomes of single persons up to \$1,500 and the incomes of married persons up to \$3,000."

GENERAL MACARTHUR: The following question and answer were recorded in the House of Commons on April 11:

Mr. E.G. Hansell (Macleod): I should like to ask the Minister for External Affairs a question which he may see fit to answer today or at some other time. There seems to be some confusion as to the recall of General MacArthur, arising out of the presidential authority to recall him, in view of the fact that General MacArthur has been the commander of the United Nations forces and we are one of the nations supplying those forces. The question arises whether or not Canada should have been consulted. Would the Minister care to make a statement now, or perhaps tomorrow?

The Secretary of State for External Affairs, Mr. Pearson: Mr. Speaker, I have no desire at this time, or even tomorrow, to comment on the nature of the action taken by the President of the United States in this matter. I can, however, for the benefit of the hon. member and the House, briefly outline the procedure under which that action was taken.

When the Security Council, by its resolution of July 7, 1950, established a unified command to conduct the military operations in Korea, it requested the United States to designate the commander of the United Nations forces

there. In response to this request of the Security Council, President Truman the following day designated General MacArthur as the Commanding General of the military forces placed by the members of the United Nations under the unified command. I understand that the President of the United States has now decided that the conduct of the military operations in Korea should be entrusted to other hands, and, acting under the mandate given to him by the Security Council resolution to which I have referred, has appointed General Ridgway as the United Nations commander in place of General MacArthur. This decision is clearly one which falls within the sphere of authority which has been given to the President of the United States by the United Nations itself.

GENERAL MACARTHUR: Answering a question by Mr. John G. Diefenbaker (Lake Centre) in the House of Commons on April 16, as to "whether, when he made his speech in Toronto, he was aware of the fact that General MacArthur was going to be dismissed," the Secretary of State for External Affairs, Mr. Pearson, said: "I can answer that question very quickly--and I am glad to have the opportunity to answer it, because of reports which have appeared in the press. I had no knowledge whatever of General MacArthur's dismissal before that dismissal was announced in the newspapers."

(For partial text of Mr. Pearson's Toronto speech see C.W.B., April 13, pages 5 and 6.)

KOREAN SITUATION: The following questions and answers were recorded in Hansard of the House of Commons on April 9:

Mr. Alistair Stewart (Winnipeg North): Is the Secretary of State for External Affairs in a position yet to answer the question I asked last Thursday, which was as follows:

"Is it the intention of the Government to take any official action over the latest rebuke by General MacArthur to the elected representatives of the people?"

The Secretary of State for External Affairs, Mr. Pearson: Mr. Speaker, there may be some statements of General MacArthur which have been controversial in character, but I do not know of any particular statement of the General which could be considered a rebuke to the elected representatives of the people; therefore I am not able to deal with the question.

Mr. Coldwell: As a supplementary question, has the Minister seen the letter that General MacArthur wrote to representative Martin regarding the Korean situation? If so, has he any comment to make on the proposals made by the General in that letter?

Mr. Pearson: Yes, I have seen the letter, and have read it with considerable interest. Our views on the matters contained therein, and other relevant matters, have already been conveyed informally to the United States Government, and I do not feel that I should say anything more at this time on the subject.

THE ARREST OF MISSIONARY SISTERS: The following is the reply in part, given in the House of Commons on April 16, by the Secretary of State for External Affairs, Mr. Pearson, to Mr. Lomer Brisson, (L. Saguenay), on the reported arrest of five missionary Sisters by Chinese Communists:

"... The Canadian Government has leamed with grave concern that five Canadian nuns of the Order of the Immaculate Conception, who have been operating with selfless devotion an orphanage in Canton, have been detained and that their orphanage has been taken over by communist Chinese authorities. The most atrocious and fantastic crimes have been attributed to the five Sisters by press reports and radio broadcasts emanating from China. The Canadian Government deeply regrets that irresponsible accusations which, it is sure, are unfounded have been given so much publicity.

"In the absence of a Canadian diplomatic mission in China the Canadian Government has availed itself of the good offices of the United Kingdom Chargé d'Affaires in Peking. This officer has been informed of the great concern of the Canadian Government for the five Sisters and has assured us that he will lose no opportunity to do anything he can to help them.

"There is no evidence that formal charges have so far been laid by the Chinese authorities. The agitation against the five Sisters at the present time seems to be chiefly local. As I have already said, it is inconceivable that they could be considered guilty of the crimes which they are alleged to have committed, and the local communist officials must surely know this. I hope, therefore, that the Central People's Government will allow the Sisters to return freely to Canada.

"It may take considerable time before the case of these Sisters can be cleared up, and the Canadian Government is anxious that nothing should be done or said at this time which could conceivably worsen their position.

"I should like once again to assure the House that the Government is doing everything it can to watch over the interests of these five unjustly accused Sisters, and to assure the House further that everything is being done and will be done which will help them without increasing the danger to them."

NATIONAL STATISTICS

Canadian production of iron and steel moved up again in February, continuing a gain in monthly output over a year earlier that has been uninterrupted since May last year. Pig iron production in February advanced to 193,227 tons from 157,200 a year ago, and in January the output rose to 197,025 tons from 190,432****Gross selling value of products manufactured by the aluminum products industry in 1949 totalled \$51,703,609, an increase of 11 per cent over the preceding year's figure of \$46,797,436****Gross factory selling value of products manufactured by establishments in the jewellery and silverware industry of Canada in 1949 amounted to \$50,757,500, an increase of 20 per cent over the preceding year's total of \$42,179,000****Stocks of creamery butter in nine cities of Canada on April 13 amounted to 4,936,000 pounds as compared with 19,212,000 on the corresponding date last year****Gross factory value of products manufactured by the rubber industry of Canada in 1949 amounted to \$178,504,000, a decline of eight per cent from the preceding year's value of \$194,112,000, and nine per cent below the all-time high of \$196,308,000 in 1947****Commercial failures under the provisions of the Bankruptcy and Winding Up Acts were more numerous in 1950 than in any year since 1939. The year's total was 1,303 as compared with 1,066 in 1949 and 1,392 in 1939****The value of products manufactured by Canada's primary iron and steel industry rose to an all-time record of \$305,735,000 in 1949, an advance of eight per cent over the preceding year's total of \$282,167,000, and 32 per cent above the wartime peak of \$232,106,000 in 1942.

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BRIG. "DES." SMITH'S NEW POST: A pending change in appointment for one senior Canadian Army officer and a promotion to the rank of major-general for another were announced on April 12 by the Minister of National Defence, Mr. Claxton.

Maj.-Gen. Findlay Clark, CBE, CD, 42, of Ottawa and Winnipeg, present Chairman of the Canadian Joint Staff in London, England, and Canadian Military Representative on Atlantic Pact Organization in the United Kingdom, will return to Canada to take over as Quartermaster General of the Canadian Army on August 1.

Brigadier James Desmond Blaise Smith, CBE, DSO, CD, 39, of Ottawa, is now promoted to the rank of major-general. He will continue in an acting capacity as Quartermaster General until August and then take over in London from Maj.-Gen. Clark. Maj.-Gen. Smith has been acting as Quartermaster General since December 1, 1950.

MR. REID'S U. OF MAINE ADDRESS: The following is an excerpt from the address of the Deputy Under-Secretary of State for External Affairs, Mr. Escott Reid, at the opening of the Conference on Canadian-American Affairs, the University of Maine, Orono, April 19:

"...:If the North Atlantic Alliance is to be fully successful, it must be firmly based on a broad measure of agreement between the North Atlantic nations and peoples, not only on the objectives of the Alliance but on the major questions of international political strategy and international political tactics. Agreement on objectives is relatively easy to secure for we share in the North Atlantic Community the common heritage of Western Christendom, we believe in the same virtues, we share the same values.

"But agreement on how to reach those objectives is less easy to secure. For each of our countries sees the world from a different point of view and any view of the world from any point of view is distorted in some respects just as any map of the world has some distortions. Each of us does not always see the same world; each of us does not always look with the same eyes; or interpret what he sees with the same brains; at times interpretation is even affected by different prejudices.

"This may appear to be a weakness in the Alliance; but it is not necessarily so. Indeed it may be one of the great sources of strength of the Alliance.

"Certainly we know that one of the great sources of strength of each democratic country is that we reach general agreement on national policy by the democratic method of free discussion and compromise. It would not therefore be surprising if we found that in an alliance of democratic countries the method of free discussion and compromise is also appropriate.

"For the more the foreign offices of the North Atlantic nations exchange information - exchange their views of the world, their interpretation of what is happening - the more the governments consult; the more they debate together on what should be done; the greater is the chance that each will be able to correct the distortions in his own private view of the world; the greater the chance that each will follow a wise policy and that the policies of each will be very much the same.

"I doubt very much whether the monolithic totalitarian Cominform world possesses this source of strength. My guess is that the Cominform states look at the world through one pair of peculiarly distorted Moscow spectacles.

"My guess also is that the absence in the Cominform world of open differences of opinion

over foreign policy is not a sign of strength but a sign of weakness. We know that this was the case with the Nazi totalitarian world...."

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NICKEL CONTROL: The following is the main section of the Order issued on May 16 by the Director, Non-Ferrous Metals Division, Department of Defence Production, Mr. F. Hewett, placing nickel under government control:

"On and after May 1, 1951:

"(a) No person shall purchase or otherwise acquire any primary nickel or electrical resistance alloys, as above defined, unless he has submitted his purchase order to the Director, Non-Ferrous Metals Division, and the Director has authorized the placing of such purchase order;

"(b) No person shall supply or deliver any primary nickel or electrical resistance alloy to anyone until he has received a purchase order with the proper authorization as described in subsection (a) of this section."

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DIRECTOR, CAPITAL COST ALLOWANCE: Stanley Wilson Laird, Secretary of the Wartime Prices and Trade Board, has been appointed Director of the Capital Cost Allowance Division, of the Department of Trade and Commerce. In this capacity, Mr. Laird will be responsible for issuing Certificates of Eligibility for depreciation under Order in Council P.C. 1778, as outlined by the Minister of Finance, Mr. Abbott, in his Budget Address on April 10.

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WHEAT STOCKS: Visible supplies of Canadian wheat in store or in transit in North America on April 5 amounted to 184,514,360 bushels as against 188,750,423 a week earlier, and 134,329,494 on the corresponding date last year. Overseas export clearances of wheat during the week ending April 5 totalled 2,690,437 bushels as compared with 1,649,266 in the same week last year, and in the cumulative period amounted to 93,084,243 bushels against 109,793,651 in 1949-50.

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LABOUR OFFICER LOANED TO I.L.O.: The Minister of Labour, Mr. Gregg, announced on April 18 that A.G. Kerr of the Economics and Research Branch of the Department had been loaned to the International Labour Organization as an Occupational Analyst to carry out work in connection with the I.L.O. Migration Programme. Mr. Kerr will spend one year with the I.L.O. in Geneva.

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WEEK'S EVENTS IN REVIEW

THE BUDGET: The following are the highlights of the Budget presented in the House of Commons on April 10 by the Minister of Finance, Mr. Abbott:

Present personal income taxes to be increased by 20 per cent through new defence levy--effective July 1, 1951.

Basic personal income tax rates and exemptions unchanged. Scattered minor deductions allowed.

Cigarette tax up three cents per package of 20.

Beer and liquor taxes unchanged.

General sales tax boosted to 10 per cent from 8 per cent--effective immediately.

Special excise tax boosted to 25 per cent from 15 per cent on motor cars, radios and other luxuries--effective immediately.

New 15-per-cent Excise Tax imposed on household refrigerators, washing machines and cooking stoves--effective immediately. Coal or wood stoves exempted.

Union and professional membership dues and certain travelling and other expenses may be deducted from taxable 1951 income.

Depreciation write-off for tax purposes withheld for four years on new, non-essential capital assets.

Tobacco tax up to \$1.15 per pound from 67 cents; taxes on roll your own papers and tubes repealed.

Excise tax on candy, chocolate and chewing gum reduced to 15 per cent from 30 per cent -- effective immediately.

Surplus for 1951-52 expected to be \$30,000,000, compared with \$23,456,000 in 1950-51.

Corporation tax on profits under \$10,000 unchanged at 15 per cent.

Corporation tax increase will not reduce profit rate to less than 5 per cent of company capital.

Tax deductions on exploration expenses for oil, mining and natural gas companies extended for another year.

Corporation tax on profits more than \$10,000 boosted to 45.6 per cent from 38 per cent, retroactive to January 1.

Three-year tax exemption for new mines extended to mines starting production in 1953 and 1954.

Revenues in 1951-52 estimated at \$3,730,000,000 compared with \$3,105,300,000 in 1950-51.

Expenditures for 1951-52 estimated at \$3,700,000,000 compared with \$2,901,844,000 in 1950-51.

Tariff changes eliminate or reduce duties on equipment used by farmers, fishermen and mining companies--effective immediately.

"None of us can tell what the future has in store," the Minister said. "The taxes we have proposed should yield total revenues of about \$3,900 million in a full year. It would be too bold to hope that conditions a year hence will permit any reductions in these rates of tax. There can be some hope, but certainly no assurance, that tax rates next year may not have to go higher."

The total increase in revenue from the budget proposals was estimated at \$405,000,000, of which \$126,000,000 is to come from corporation income tax, \$105,000,000 from sales

CURRENT EMPLOYMENT PICTURE: During March, there was a moderate pick-up in employment in the industrial areas as manufacturing and construction firms began their spring hiring. In rural areas, the logging industry was releasing workers, many of whom were awaiting the opening up of farm work, the Minister of Labour, Mr. Gregg, announced on April 6.

As a result, applications for employment on file at National Employment Service offices showed a net decline of 3,300 from March 1 to March 22. The total at the latter date was 293,400, considerably less than the figure of 424,100 one year ago.

The larger cities -- Montreal, Toronto, Vancouver, Winnipeg, and Hamilton -- all experienced an improvement in employment conditions. In Ontario, this improvement was general throughout the Province and resulted in a drop of 5,600 in registrations for work. The largest declines were among carpenters, painters, taxi and truck drivers, metalworking occupations and general unskilled labour.

Correspondingly, job vacancies at the National Employment Service rose from 37,700 at March 1 to 39,900 at March 22.

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OVERSEAS TELECOMMUNICATION CORP.: Expansion and development of Canada's external telecommunication facilities "to make this nation a leader in the field of world telecommunication" is indicated in the first annual report of the Canadian Overseas Telecommunication Corporation tabled in the House of Commons on April 6 by the Minister of Transport, Mr. Chevrier.

One of the outstanding features in the report of Canada's newest Crown Company is contained in the financial statement certified by the Auditor General, which shows excess of income over expenditure amounting to \$87,470, after deduction of interest charges and an adequate amount for depreciation. When the short period of time during which the Corporation has been in actual operation is recognized, this financial aspect assumes even greater importance.

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OFFICERS ON EUROPEAN TOUR: Thirty-one students and directing staff members of the National Defence College located at Kingston, Ont., left last week by RCAF aircraft for a tour of the United Kingdom and Europe. Among the European countries they will visit are France, Germany, Belgium, Holland and Italy.

The group is making one of the educational tours arranged by the National Defence College annually for its students to give them a better knowledge of world conditions.

The students of the college are senior officers of the Navy, Army and Air Force, the Defence Research Board, senior members of the civil departments of government and representatives of civil industry.

CANADA-SWEDEN TAX AGREEMENT: An agreement between Canada and Sweden for the avoidance of double taxation in the field of income tax was concluded in Ottawa on April 6. His Excellency, Per Wijkman, the Swedish Minister, signed for Sweden, and the Minister of Finance, Mr. Abbott, signed on behalf of Canada.

The Agreement follows by less than a month the signing of a similar Agreement between Canada and France and continues the policy of seeking international co-operation in removing tax obstacles which might otherwise hinder the free flow of capital and commerce across international boundaries. Earlier Agreements were entered into with the United States, the United Kingdom and New Zealand, and negotiations with other countries are in prospect.

The Agreement provides generally that each country retains the right to tax at the source income leaving that country while at the same time undertaking to grant relief from taxation income in respect of which a tax has already been imposed at source in the other country. One provision of the Agreement limits the taxation of industrial or commercial profits of a Canadian or Swedish enterprise engaged in trade or business in the other state. Other articles deal with royalties, pensions, annuities, earnings of professional men, public servants, teachers and students.

The Agreement will be effective on the date of exchange of ratifications which will take place in Stockholm following approval of the Governments of Sweden and Canada.

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CIVIL DEFENCE INSTRUCTION: In a further step towards Canadian civil defence preparedness, federal authorities are conducting courses this summer for practical training of potential instructors, it is announced by Major General F.F. Worthington, Civil Defence Co-Ordinator.

The Civil Defence Technical Training School will provide courses designed to turn out qualified instructors for provincial and municipal governments and provincial authorities are now nominating candidates for the first course, which will operate from May 7 to May 26 at Connaught Ranges, South March, Ontario, 16 miles west of Ottawa.

This training supplements instruction provided to key personnel from all over Canada who attended civil defence staff forums organized by the Co-Ordinator's office and who heard lectures on organization, training and operation of civil defence units.

Students, who are expected to be mainly provincial or municipal employees at least for the first course, will be quartered at Connaught Ranges, home of the annual "Canadian Bisley" shoot staged by the Dominion of Canada Rifle Association.

THE VISIT OF THE PRESIDENT OF FRANCE

M. AURIOL WARMLY GREETED: President Vincent Auriol of France, with Madame Auriol, M. Robert Schuman, French Minister of Foreign Affairs, and party, left Canada by air on April 9 after a five day official visit - the first by the head of the French State. They were due to stop at Shannon Airport, Ireland, on their way home.

The thunder of royal salutes, the attentiveness of the joint session of Parliament which he addressed, and the brilliance of the functions at which he met the leaders of Canadian public life all marked the visit as outstanding in Canadian history, but most impressive, perhaps, was the acclaim with which M. Auriol was greeted by the citizens of Ottawa, Toronto, Montreal, Quebec and other points at which he touched.

At Ottawa, in the company of members of the Cabinet and the Canadian Chiefs of Staff, he placed a wreath at the base of the National War Memorial; in Quebec, where he received an honorary degree from Laval University, he placed wreaths at the foot of a monument raised in memory of Generals Wolfe and Montcalm, as well as at the monument of Samuel de Champlain, the founder of Quebec City in 1608.

In Toronto, where the President addressed the Ontario Legislature, he was presented by Lieutenant Governor Ray Lawson with a two-and-a-half ounce steel fishing rod costing \$700 "to fish in the rivers around Toulouse." The President is an ardent fisherman.

Addressing the joint session of Parliament in Ottawa, President Auriol said in part:

"... To the people of Canada I express the enduring friendship of France, our gratitude for all they have done for our liberation, and also for that inexhaustible generosity which, under the impetus of national and private

organizations, have been lavish in their help to relieve the misery of our people exhausted by war and a long and awful oppression...."

"France is not giving herself up to any naive neutralism, and whatever sacrifices our rearmament efforts add to our already crushing burdens for rehabilitation and re-equipment, we know that no sacrifice is as heavy as that of liberty...."

The Prime Minister, Mr. St. Laurent, spoke alternately in French and English in welcoming the distinguished visitor. He said in part:

"You come to us after spending a few days in the United States of America. You cannot fail to have been impressed by the strength of that great country and also by the sincerity of the peaceful aspirations of all its people. Here in Canada you will not fail to note the close, friendly relations which bind us to our southern neighbours, and also the untrammelled independence we enjoy in our own land. If our frontiers bordered on those of some grasping imperialistic neighbouring state, we might not have this opportunity of welcoming you in a free Parliament as the distinguished and respected head of a free France. Canada is the best evidence, permanent and historic evidence, of the peaceful purposes of the United States.

"These confident, friendly and co-operative international relations which we enjoy with our great southern neighbours we wish to share ultimately with the whole world, and in the meantime we expect to share them with all the nations of the North Atlantic community. We know we can count upon the people of France and we wish to assure you the people of France can count upon the good-will and effective co-operation of all the people of Canada...."

* * *

LABOUR INCOME AT PEAK: Estimated total of salaries and wages and supplementary labour income reached an all-time peak of \$8,114,000,000 in 1950, exceeding by 6.3 per cent the preceding year's figure of \$7,630,000,000. The estimated total in December amounted to \$703,000,000, down \$30,000,000 from November, but up \$61,000,000 or 9.5 per cent over December, 1949. Increases were recorded in all industries both in the month and 12-month period over a year earlier.

Labour income in manufacturing for the year totalled \$2,747,000,000 as compared with \$2,582,000,000 in 1949, and in December stood at \$235,000,000 as against \$217,000,000.

The estimated total for utilities, transportation, communication, storage and trade for the year amounted to \$2,138,000,000 as

compared with \$2,022,000,000 in 1949, and for December aggregated \$191,000,000 against \$174,000,000.

In finance and services -- including government -- the year's labour income totalled \$1,773,000,000 as compared with \$1,655,000,000 a year earlier. The December total was \$152,000,000 compared with \$141,000,000.

Labour income in agriculture, logging, fishing, trapping and mining as a group totalled \$604,000,000 in 1950 as compared with \$586,000,000 in the preceding year. In December the total was \$57,000,000 against \$47,000,000.

In construction the year's total was \$571,000,000 compared with \$527,000,000 in 1949, the December figure standing at \$43,000,000 compared with \$41,000,000.

EXPORTS UP 17 PER CENT: Canada's domestic exports in February moved upwards in value over the previous year for the tenth consecutive month. As in earlier months, the advance was due in the main to continued large-scale shipments to the United States, but there was also a reversal of last year's downward trend in the value of exports to the United Kingdom. Exports were again higher in value in Latin American countries in February and were also higher to India. Shipments declined to foreign countries in Europe as a group but were almost doubled to the remaining group of foreign countries.

Domestic exports to all countries in February were valued at \$233,910,000 as compared with \$199,462,000 in the corresponding month last year, a rise of 17 per cent. The total for January was \$285,100,000. For the two months, January and February, the cumulative total was \$519,045,000, an increase of 23 per cent over last year's corresponding value of \$420,642,000.

Shipments to the United States in February increased nearly 18 per cent to \$152,428,000 from \$128,838,000 in February, 1950, and in the first two months of the year the value rose to \$339,376,000 from \$259,697,000. Exports to the United States accounted for slightly more than 65 per cent of all exports both in February and the two months.

Increases were common to all nine main commodity groups of exports to the United States in February, largest absolute gains being in agricultural and vegetable products which rose to \$12,975,000 from \$10,276,000, animals and animal products to \$20,348,000 from \$16,592,000, wood and paper to \$78,489,000 from \$54,829,000, and non-ferrous metals to \$18,480,000 from \$17,574,000.

DIRECTOR, BUREAU OF CURRENT AFFAIRS: Harry R. Low, 44, of Ottawa and Winnipeg, wartime Director of Education for the RCAF, has been appointed to a newly-created post as Director of the Bureau of Current Affairs, it was announced on April 9 by the Minister of National Defence, Mr. Claxton.

As Director of the Bureau of Current Affairs, Mr. Low will assist commanding officers in the services to keep personnel informed on matters of national and international concern. Mr. Claxton said that the object of the information will be to ensure that the man in the services has a basic understanding of "that which he has enlisted to support and that which he must be prepared to oppose."

A graduate of the University of Glasgow, Mr. Low lectured at the University of North Wales at Bangor, Wales, on education and psychology, prior to coming to Canada in 1935. His first Canadian position was as Professor of Education at the University of Manitoba, in Winnipeg. In 1939 he became Superintendent of Education for the Province of Manitoba.

In 1941 in the rank of Group Captain, Mr. Low became Director of Education for the RCAF, serving overseas. He returned to Scotland in 1946 and lectured in education and psychology at the University of Glasgow.

On return to Canada in 1950, Mr. Low became advisor on education for the North West Territories Council. He travelled along the Mackenzie River studying educational facilities provided for native Indians and Eskimos as well as the white population of the area.

SECURITIES TRANSACTIONS: Sales and Purchases of securities between Canada and other countries both were higher in January, reversing the downward trend of the past three months. Net sales in January, at \$13,200,000, were slightly below the October level whereas transactions in November and December produced a sales balance of less than \$2,000,000 for the two months.

Combined volume of sales and purchases in January was higher than in any month last year except September, sales at \$62,800,000 being exceeded only by those in August, September and October, while purchases reached \$49,600,000--- the largest monthly total on record. In January, 1950, sales amounted to \$20,900,000 and purchases totalled \$19,000,000.

VISIT TO FORT LEWIS, WASH.: The Governor-General, accompanied by the Minister of National Defence, Mr. Claxton, will leave by RCAF aircraft on Saturday, April 14, to visit the 25th Canadian Infantry Brigade at Fort Lewis, Wash., before it sails for Korea, and 426 Squadron, RCAF, at McChord Field, Wash.

The party will arrive at McChord Field, operational base of the Canadian airlift squadron, Saturday afternoon and then proceed to Fort Lewis to review United States troops.

On Sunday morning there will be a parade of the 25th Brigade which will give a Royal Salute as Viscount Alexander steps on to the parade ground, prior to a march past.

After the parade, the party will proceed to McChord Field, where His Excellency will visit 426 Squadron. He will inspect a guard of honour, half Army and half RCAF. A 21-gun salute will be fired by the 2nd Field Regiment, RCHA.

FORT LEWIS FAREWELL CEREMONY: Fort Lewis, Washington, April 6 -- Five thousand United States Army troops from 10 major units marched past Brig. J.M. Rockingham, Special Force commander, and Brig. Gen. Frederick L. Hayden, Command General of the 31st Anti-Aircraft Artillery Brigade, in a double farewell ceremony here on April 6.

Brig. Rockingham soon will lead his 25th Canadian Infantry Brigade to Korea for combat duty with other United Nations forces.

"CANADIAN FOREIGN POLICY IN A TWO-WAY WORLD"

MR. PEARSON'S TORONTO ADDRESS: The Secretary of State for External Affairs, Mr. Pearson, addressed the Empire and Canadian Clubs of Toronto on April 10 on the subject of, "Canadian Foreign Policy In A Two-Way World."

After analyzing some of the special difficulties in connection with the formulation of foreign policy in a country like Canada, which, he said "has enough responsibility and power in the world to prevent its isolation from the consequences of international collective decisions, but not enough to ensure that its voice will always be effective in making those decisions," the Minister touched on the role of the United Nations. We must be sure, so far as we ever can be sure, he said, "that the United Nations remains the instrument of the collective policy of all its members for the preservation of peace and the prevention or defeat of aggression, and does not become too much the instrument of any one country. I am not suggesting that this has happened or is going to happen, but it is something that we should guard against."

THE RIGHT TO CRITICIZE

He proceeded later: "I do not think that we should be asked, in the United Nations or elsewhere, to support automatically policies which are proposed by others if we have serious doubts about their wisdom. We must reserve the right, for instance, to criticize even the policy of our great friend, the United States, if we feel it necessary to do so. There are, however, two reservations to this. First, we must recognize and pay tribute to the leadership being given and the efforts being made by the United States in the conflict against Communist imperialism, and realize that if this leadership were not given we would have little chance of success in the common struggle. Secondly, we must never forget that our enemy gleefully welcomes every division in the free democratic ranks and that, therefore, there will be times when we should abandon our position if it is more important to maintain unity in the face of the common foe...."

"This brings me squarely up against a matter which is very much in my mind, as I know it is in yours, the question of Canadian-American relations in this two-power world of conflict. It is, I think, one of the most difficult and delicate problems of foreign policy that has yet faced the Canadian people, their Parliament and their Government, and it will require those qualities of good sense, restraint, and self-reliance which the Canadian people have shown in the past. It was not so long ago that Canada's foreign relations were of importance only within the Commonwealth, more particularly in our relations with the United Kingdom. These former Canadian-Commonwealth

problems seem to me to have been now pretty well solved. At least the right principles have been established and accepted which makes their solution fairly easy. We have in the Commonwealth reached independence without sacrificing co-operation. We stand on our own feet, but we try to walk together. There is none, or at least little of the touchiness on our part, which once must have complicated relations with Downing Street, and there is now certainly none of the desire to dominate which we used to detect in Whitehall....

"With the United States our relations grow steadily closer as we recognize that our destinies, economic and political, are inseparable in the Western hemisphere, and that Canada's hope for peace depends largely on the acceptance by the United States of responsibility for world leadership and on how that responsibility is discharged. With this closeness of contact and with, I hope, our growing maturity goes a mutual understanding and a fundamental friendliness. This makes it possible for us to talk with a frankness and confidence to the United States, which is not misunderstood there except possibly by a minority who think that we shouldn't talk at all, or who complain that if we do, our accents are too English!

THERE WILL BE DIFFICULTIES

"But we need not try to deceive ourselves that because our close relations with our great neighbour are so close they will always be smooth and easy. There will be difficulties and frictions. These, however, will be easier to settle if the United States realizes that while we are most anxious to work with her and support her in the leadership she is giving to the free world, we are not willing to be merely an echo of somebody else's voice. It would be easier also if it were recognized by the United States at this time that we in Canada have had our own experience of tragedy and suffering and loss in war.

"In our turn, we should be careful not to transfer the suspicions and touchiness and hesitations of yesteryear from London to Washington. Nor should we get unduly hot and bothered over all the pronouncements of journalists or generals or politicians which we do not like, though there may be, indeed are some on which we have a right to express our views, especially when those pronouncements have a direct effect on action and policy which we have undertaken together.

"More important, we must convince the United States by action rather than merely by word that we are in fact, pulling our weight in this international team. But this does not mean that we should be told that until we do one-twelfth or one-sixteenth, or some other fraction as much as they are doing in any

particular enterprise, we are defaulting. It would also help if the United States took more notice of what we do do, and, indeed occasionally of what we say.

"It is disconcerting, for instance, that about the only time the American people seem to be aware of our existence, in contrast say to the existence of a Latin American republic, is when we do something that they do not like, or do not do something which they would like. I can explain what I mean by an illustration. The United States would certainly have resented it, and rightly so, if we in Canada had called her a reluctant contributor to reconstruction in 1946 because her loan to the United Kingdom was only three times as large as ours, while her national income was seventeen or eighteen times as large. In our turn, most of us resent being called, by certain people in the United States a reluctant friend because Canada, a smaller power with special problems of her own, ten years at war out of the last thirty, on the threshold of a great and essential pioneer development, and with half a continent to administer, was not able to match, even proportionately, the steps taken by the United States last June and subsequently, which were required by United Nations decisions about Korea; decisions which, I admit, caught us by surprise.

LEADERSHIP BY U. S.

"The leadership then given by the United States rightly won our admiration, and the steps that she has taken to implement them since, deserve our deep gratitude. The rest of the world naturally, however, took some time to adjust itself to a somewhat unexpected state of affairs. Canada, in my view at least, in not making the adjustment more quickly, should surely not be criticized more than, say, Argentina or Egypt, or Sweden.

"There may be other ripples on the surface of our friendship in the days ahead, but we should do everything we can in Canada, and this applies especially to the Government, and in the Government particularly to the Department of External Affairs, to prevent these ripples becoming angry waves which may weaken the foundation of our friendship. I do not think that this will happen. It will certainly be less likely to happen, however, if we face the problems frankly and openly of our mutual relationship. That relationship, as I see it, means marching with the United States in the pursuit of the objectives which we share. It does not mean being pulled along, or loitering behind.

"Nevertheless, the days of relatively easy and automatic political relations with our neighbour are, I think, over. They are over because, on our side, we are more important in the continental and international scheme of things, and we loom more largely now as an important element in United States and in free world plans for defence and development. They

are over also because the United States is now the dominating world power on the side of freedom. Our preoccupation is no longer whether the United States will discharge her international responsibilities; but how she will do it and how the rest of us will be involved..."

* * * *

THE BUDGET (Continued from p. 1)

tax, \$89,000,000 from other excise taxes and \$85,000,000 from personal income tax.

The Minister said he was basing his budgetary proposals on an assumption that the gross national product in 1951 will reach about \$20 billion, an increase of about 12 per cent.

"If we reach a point where we believe a much wider range of direct controls would be in the national interest we shall use them," he said, "but we are not prepared to embark upon a premature programme which under present conditions would, in our judgment, create more confusion than stability."

In an exhaustive review of the nation's finances, he said that the net debt of Canada at March 31, 1951, as presently estimated, was \$11,441 million, that our total unmatured funded debt at the same date was \$15,027 million of which less than 3% is payable in London or New York, that the average coupon rate on this funded debt was unchanged at 2.60%, and that our total public debt charges for the year 1950-51 amounted to \$439 million, a decrease of about \$12 million from the previous year.

In connection with general taxation policy, he said:

"I am reluctant to believe that we must inevitably face budgets of \$4 billion or more for any considerable succession of years. There is still a possibility that reasonable solutions of the present international tensions may be developed. In another year's time we should have a clearer view of the prospects. I have, therefore, decided not to recommend any major reconstruction of our tax system this year but instead to meet our current requirements by a series of simple but adequate surcharges on several existing taxes and also to widen the coverage of our special excise taxes.

"I think that over the shorter run this method of defence surcharges will produce the necessary revenue with the least difficulty and inconvenience. If our optimistic hopes are realized it will be easy to reduce these surcharges or to drop them entirely, but I want to add that if it becomes clear that we are in for a long pull at these high levels of expenditure some major changes in the existing tax structure may have to be devised. My tax proposals, therefore, must be regarded as an interim policy for the period of the current year."

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WEEK'S EVENTS IN REVIEW

MR. PEARSON ON KOREA: The Secretary of State for External Affairs, Mr. Pearson, addressed the mid-winter meeting of the Canadian Bar Association (Ontario Section) in Ottawa on March 31 on the subject of the United Nations, with particular reference to the problem of Korea.

While he thought a re-appraisal of the proper functions of the United Nations was necessary and wise, he declared that we must maintain and strengthen our faith in the UN as a vehicle for co-operation among the free nations and for the organization of their security, as the forum for the expression of the conscience of the world, and as the symbol of the fundamental unity of all democratic peoples.

After an analysis of the role of the UN in the preservation of peace and security, and an extensive review of events leading up to the present situation in Korea, the Minister declared himself of the opinion that Moscow would be the main and possibly the only beneficiary of the extension of the Korean conflict to the mainland of China. Then he proceeded:

"From this it follows we should continue to localize the war in Korea and end it as soon as possible. We should do this, if we can, by negotiating terms of peace, which will be honourable and will not be a betrayal of our obligations under the Charter of the United Nations. We must not forget, however, that

while one side can begin a war it takes both sides to end it. If negotiation is not possible, we have no alternative but to do our best to stabilize the military position, force the aggressor to pay as high a price as possible for his crime, avoid rash actions and words and unnecessary provocation in doing this, and hope that the Chinese Communists will soon desire to extricate themselves from a dangerous and costly adventure.

"The safety of those who are fighting in Korea is a first consideration. It should be possible, however, to maintain our military position in Korea while keeping the door open for every possible opportunity to negotiate a settlement. This means refusing to be stampeded into action, such as a massive attack towards the Manchurian border, if such action were possible militarily but felt to be unwise politically. The chances for a settlement in Korea are also not increased by the kind of talk which weakens the unity of action of those who are participating in that operation.

"There are, I think, two main threats to this unity of action. One is a feeling of impatience and even irritation in the United States, that, while they are bearing the brunt of the fighting, their friends in the United Nations do not give them sufficient backing, even at Lake Success. I think that we should recognize this feeling, just as we should gratefully recognize the special responsibil-

VAST RANGE OF WORLD PRODUCTS AT 1951 FAIR

BRITAIN MAJOR EXHIBITOR: The 1951 Canadian International Trade Fair, May 28 to June 8, shows strong promise of surpassing the successful 1950 Fair. Partly due to the success of previous Fairs, and partly because of certain economic factors, including material shortages and expanding production all over the world, the Fair this year will be bigger than last year and will present a wider variety of products to an army of business visitors expected to be greater than ever before.

It is possible at this time to give a reasonably clear picture of the pattern of this year's show. Although applications are still coming in daily, the majority have been received and enough of a trend has been established to suggest that exhibits this year will substantially exceed the 160,000 square feet of exhibit space sold in 1950.

The range of goods to be displayed is so extensive as to defy brief description. Products ranging from makeup kits to mammoth presses will be at the Fair to attract buyers in almost every conceivable line of human endeavour. Products for the home and for the factory; goods of interest to the business tycoon and the housewife, to the retailer and the jobber will be shown by producers from all over the world.

Among the features of this year's Trade Fair will be exhibits from a few countries new to the Fair -- Japan, Mexico, Israel, and possibly Iraq and Iran -- and a much more ambitious participation by a number of countries. The Netherlands is perhaps the most outstanding in this latter regard. Last year four Dutch firms exhibited. This year there

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FISHERIES DEVELOPMENT COMMITTEE: The provincial Government of Prince Edward Island, after consultation and in-co-operation with the Minister of Fisheries, Mr. Mayhew, announced on March 29 the creation of a Fisheries Development Committee for Prince Edward Island.

Made up of representatives of the federal and provincial Governments and of the trade and fishermen, the five-man Committee is charged with the formulation of a development programme for the inshore and offshore fisheries of Prince Edward Island. A similar Committee was created two months ago in Newfoundland.

The Honourable T.A. Campbell, Chief Justice of Prince Edward Island, has been named Chairman of the Prince Edward Island Fisheries Development Committee.

The Committee is to begin its work without delay.

The full terms of reference of this Committee are to examine and report on:

will be about 75, taking approximately 10,000 square feet of space to show a comprehensive array of goods in most of the Fair's 20 trade categories.

Great Britain will again likely be the major exhibitor. Space required to show British exhibits will be about the same as last year, when close to 70,000 square feet was booked. Space taken to show Canadian goods should approximate last year's 45,000 square feet. Slight increases are possible in these figures, but it is too early yet to make firm predictions.

The trend towards associated exhibits involving the goods of many firms producing similar products exhibited in contiguous booths and under the aegis of an exhibiting committee continues to be evident as the applications for space in the 1951 Trade Fair continue to roll in.

Textile manufacturers of Canada, the United Kingdom and France will be represented in this fashion, and makers of machine tools, material handling equipment and other "capital" goods from the U.K. also have association exhibits.

The chemical industry of Canada is staging an ambitious display of the scope and progress of its member firms. The winemakers of South Africa and Australia will be represented through association exhibits, as will the boot and shoe manufacturers of Great Britain and Ireland.

The Netherlands Institute for the Promotion of Foreign Trade is assuming over-all direction of the exhibits of the Dutch firms, whose products will be found in almost every trade grouping.

(1) the fishery resources available to the Province; (2) catching methods now in use; (3) present methods of processing and marketing; and (4) existing harbour and shore facilities.

The Committee will also make recommendations based on sound scientific, economic and social considerations, for the improvement of boat harbours, catching methods, processing facilities and marketing practices.

* * *

HMCS ONTARIO'S TRAINING CRUISE: Brisbane, Australia, March 28 -- After a memorable three-day visit to this Queensland port, the HMCS Ontario (Commodore H.F. Pullen, RCN), slipped from her jetty in Brisbane river earlier this week and proceeded on her way to an area at sea south of Sydney where she will spend a period of ten days exercising with units of Royal Australian and New Zealand navies.

Just after the Ontario had cleared the mouth of the Brisbane river two Lincoln aircraft of the R.A.A.F. intercepted her and carried out simulated bombing attacks at low level while the cruiser's anti-aircraft weapons' crew were exercised in aircraft tracking. A similar exercise was carried out this morning when the aircraft made another rendezvous with the Ontario off the coast of New South Wales and provided facilities for training of gun crews in tracking aircraft.

The Ontario is currently engaged in a 15,000 mile training cruise during which she will call at most of the principal ports in Australia and New Zealand. On her way south she stopped briefly at Pearl Harbour, Hawaii, Pago Pago in the Samoan Island and Suva in the Fiji Islands.

* * * *

"THE FREEDOM PROGRAMME": Declaring the basic conflict in the world today to be the battle for men's minds, the Minister of Resources and Development, Mr. Winters, told the Advertising and Sales Club, of Ottawa, on April 3, that the National Film Board this year will begin production of a series of films which, collectively, will be known as the Freedom Programme.

It was desirable, he said, that the people whose concerns are the same as ours should see us as we are. The programme's subject-matter would be drawn from the everyday pursuits of Canadians - in their work and worship, in their homes and schools, in their politics and play.

"The Freedom Programme", he said, "presents a new challenge. The Board in this endeavour will have the guidance of the Department of External Affairs and will co-ordinate its efforts with those of our allies in this field through the North Atlantic Treaty organization."

MUST DO JOB OURSELVES

He outlined some of the work of the Government Travel Bureau, another agency engaged in selling Canada to non-Canadians. Much of the work of the Bureau had been in the nature of an offset to the basic Canadian trait of shyness. A friendly, stable and reliable people, he said, Canadians were not very often spectacular. If it were necessary that our national trumpet be blown we might be sure others would not perform it for us - "we must do that job ourselves."

He said also:

"The people of Canada have come to realize

that the boundaries of our country are not synonymous with the boundaries of our zone of security. The events that have necessitated Canada's defence preparedness programme have all occurred thousands of miles from our shores. Within the memory of most of us here tonight, there were times when such events in far-off places might have caused only the mildest stir of interest. But modern technology, in annihilating former time and space concepts, has also altered former modes of international thinking. We can no more go back to the old concepts of "spheres of interest" and "balance of power" than we can go back to horse and buggy days. Now and in the future, either all the world is at peace or the chances are that none of the world will be at peace."

* * * *

25TH REINFORCEMENT GROUP: The Minister of National Defence, Mr. Claxton, announced on March 31 the reformation of the 25th Reinforcement Group of the Canadian Army Special Force to be based in the Far East. Its commanding officer will be Lt.-Col. Gordon C. Corbould, DSC, ED, of New Westminster, B.C., who has been commanding the 3rd Battalion PPCLI.

Major H.F. Wood of Toronto, former second-in-command of the 3rd Battalion PPCLI, has been promoted to the rank of lieutenant-colonel and named to succeed Lt.-Col. Corbould as commanding officer of that unit.

The 25th Reinforcement Group, which will move to the Far East with other elements of the Special Force Brigade, will provide a reinforcement pool in the theatre of operations. Reinforcements will be drawn from it by front-line units as the need arises.

* * * *

ARMY STAFF CHANGES: The pending retirement of one senior Canadian Army officer and the appointment of two others to top staff positions, was announced on March 30 by the Minister of National Defence, Mr. Claxton.

They are:

Brig. G.P. Morrison, CBE, CD, Deputy Quartermaster General, who will retire from the Army early in June.

Col. A.E. Wrinch, CBE, CD, Chief of Staff at the Canadian Army Staff, Washington, who will take over as Deputy Quartermaster General in the rank of brigadier.

Col. F.L. Purves, LSC, Director Royal Canadian Armoured Corps, who will become Chief of Staff at Canadian Army Staff, Washington.

MR. CLAXTON'S NEW YORK ADDRESS

CANADIAN-AMERICAN CO-OPERATION: No two countries in the world have closer arrangements for their common defence than the United States and Canada, the Minister of National Defence, Mr. Claxton, declared on March 30 in an address at a dinner given at the Metropolitan Club, New York, by Thomas J. Watson, on the occasion of a presentation to Mr. Claxton of an award by the American Arbitration Association for his services in promoting friendship between Canada and the United States.

After listing the numerous important points of close Canadian-American co-operation in the defence field, the Minister detailed four things which, he said, remained to be done along the lines of defence co-operation. These were: (1) The St. Lawrence Waterways development should be proceeded with as an urgently needed defence measure; (2) We hope for further industrial defence co-operation; (3) The armed forces and industry combined must make a frontal attack on the cost of defence equipment; (4) The free democracies must take active measures together to promote general understanding of their common aims and appreciation of their joint efforts.

Later, the Minister said:

"On the other hand, we would make in Canada for ourselves and for the use of other North Atlantic Treaty nations equipment which, with orders from you, would be produced in Canada as economically and rapidly as anywhere else.

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MR. PEARSON ON KOREA (Continued from p. 1)

ity which the United States has accepted and the leadership it is giving in the struggle against Russian Communist imperialism. Such recognition carries with it the obligation to co-operate and to give support.

"But this support, if it is to have any value, does not mean an automatic response of 'Ready, aye Ready' to everything that Washington proposes. It may mean constructive criticism of, and even opposition to, courses or proposals which we in Canada may think are unwise and concerning which it is our duty to express our views. I know that such criticism and opposition will be exploited by our Communist enemies for their own nefarious purposes. Because of this we should put forward our point of view, whenever we can, in private and try to persuade our friends as to its reasonableness. If we succeed, well and good. If we do not, we will have to decide whether to maintain our position in public or whether to abandon it because the acceptance of our viewpoint may not be so important as the maintenance of the United front.

"The other danger to our free world unity arises when those who have been charged by the

"We think it not unfair to have as our common objective the rough balancing of payments between the two countries so that, for example, we would not need to cut into the sales of the orange growers in Florida and California in order to permit us to pay cash for tanks or motor vehicles built in Detroit.

"This sort of balanced arrangement is beginning, but just beginning, to work out. During the last nine months of 1950 you had placed firm orders with us for a total amount of about \$17 millions. We placed firm orders with you for a total of about \$159 millions, but there was a lot more under consideration. We expect that our expenditures in the United States on defence equipment of \$65 millions in 1950-51 will reach something like \$300 millions in 1951-52.

"Our three years' programme calls for the expenditure of \$5 billions and we can see ahead a good many hundreds of millions of Canadian purchases in the United States. This will include quantities of U.S. pattern equipment to replace the three divisions' equipment of British type we have transferred to Western Europe. We hope to see increased U.S. expenditures in Canada...."

His concluding paragraph was:

"If the relations between the Soviet Union and the rest of the world were anything like those existing between Canada and the United States what a boon it would be for the Russian people and all other peoples on this earth."

United Nations with military responsibility make controversial pronouncements which go far beyond that responsibility, and create confusion, disquiet and even discord. It seems to me to be as unwise, indeed as dangerous, for the generals to intervene in international policy matters as it would be for the diplomats to try to lay down military strategy. This is a case, I think, where the specialist should stick to his speciality. Otherwise, unnecessary difficulties are created, and that wholehearted co-operation between friends which is so essential is hindered.

"These difficulties are, I hope and believe, only chips off the block of unity. We should try to prevent them, of course, but they cannot destroy or even dangerously weaken the structure itself. Their greatest danger lies in the hopes they may arouse in totalitarian minds, that the free democracies are divided and therefore becoming weaker. Dictators, as we know from grim experience, feed on, indeed often act on, such false hopes. They count on conquest by division. So in our international relations, as in our domestic policies, let us give communist dictators no more of this comfort than we can help...."

IN PARLIAMENT THIS WEEK

CITIZENSHIP ACT AMENDMENTS: The House of Commons, on April 3, approved Canadian Citizenship Act amendments with respect to the revocation of citizenship, etc. The following was the explanation of the amendments given by the Minister of Citizenship and Immigration, Mr. Harris:

"...Under the Naturalization Act, which was repealed with the coming into force of the Canadian Citizenship Act on January 1, 1947, there was provision, under subsection 1 of section 9 thereof, for the revocation of a certificate of naturalization by the Governor in Council after the Minister was satisfied that the person to whom the certificate was granted had shown himself, by act or speech, to be disaffected or disloyal to His Majesty. This provision was applicable whether the offence was committed in Canada or outside of Canada.

RIGHT TO A HEARING

"When the Canadian Citizenship Act was being considered, it was decided to make the citizenship of a Canadian citizen, other than a natural-born Canadian citizen, liable to revocation only if the offence of disaffection or disloyalty had been committed outside of Canada, and to make it applicable in Canada only in the event of the naturalized Canadian citizen having been convicted of treason or sedition by a court of competent jurisdiction. These persons had the right to have their cases considered by a commission appointed under section 19 of the Act. In this way their right to have a hearing was fully protected.

"In recent years it has been found that a number of naturalized Canadian citizens have returned to the countries of their origin with the obvious intention of remaining there permanently and of severing their allegiance to Canada. Under present legislation, their citizenship can be revoked only after a period of not less than six years' residence outside of Canada and failure to maintain substantial connection with Canada.

"In some cases a number of naturalized persons have asked, while still in Canada, to have their certificates of naturalization or citizenship cancelled on the ground that they no longer wish to retain Canadian citizenship. There is nothing in the present legislation covering this type of disaffection.

"So far my remarks have had reference to the revocation of the citizenship of persons other than natural-born Canadian citizens. At present a Canadian citizen by birth loses his citizenship only on the voluntary acquisition of a foreign nationality. Very serious thought, however, has been given to the question of the revocation of the citizenship of persons, whether naturalized or natural-born, who take an oath or make an affirmation or other formal

declaration of allegiance to a foreign state, whether they were residing in or out of Canada at the time of taking such action.

"In view of the conditions which I have stated, and for obvious reasons of security, it is deemed desirable to introduce certain new grounds for revocation of citizenship.

"Under present legislation, revocation may take place only if the naturalized Canadian citizen has been residing outside of Canada for a period of not less than six years and has failed to maintain substantial connection with Canada. The proposed amendment provides for revocation after a residence of two years in a country of which the Canadian citizen was a national or citizen at any time prior to his becoming a Canadian citizen or being naturalized in Canada. This would allow more speedy disposition of cases where naturalized persons return to their country of origin and lose substantial connection with Canada.

REVOCAION OF CITIZENSHIP

"There is, further, an extension of the present provision for revocation for disloyalty. At present, revocation is possible where a person out of Canada shows himself 'by act or speech' to be 'disaffected or disloyal' to His Majesty or, if in Canada, is guilty of treason or sedition. The latter phraseology, especially, is too narrow. It does not, for instance, cover persons convicted of offences under the Official Secrets Act. It is proposed in this amendment to allow revocation for disaffection and disloyalty out of Canada, and for persons in Canada who are found guilty of sedition, espionage, treason or similar offences.

"Subsection 3 of section 1 of the bill provides for the revocation of the citizenship of all categories of citizens whether naturalized or natural-born.

"There is no substantial change in paragraph (a) from the present legislation, which provides for the revocation of the citizenship of a person who, by a voluntary and formal act other than marriage, acquires the nationality or citizenship of a foreign country, whilst in Canada.

"Paragraph (b) of subsection 3 is new. It provides for revocation in the case of persons who take an oath or make an affirmation or other formal declaration of allegiance to a foreign state; this would apply whether the persons were in or out of Canada.

"There is, finally, provision in paragraph (c) of subsection 3 for the revocation of the citizenship of those persons who make declarations renouncing their Canadian citizenship. This amendment would have the effect of legalizing the action of a person who renounces his Canadian citizenship, whether in or out of Canada.

NATIONAL STATISTICS

"The Government is of the opinion that the amendments to the Canadian Citizenship Act which are proposed in this bill are essential to the welfare and security of Canada. I wish to make it clear, however, that the rights of any person, the revocation of whose citizenship might be considered under any one of these proposed amendments, are fully protected under that part of section 19 of the Citizenship Act which provides, upon request, for a formal hearing by a commission constituted for the purpose by the Governor in Council. It is not proposed in this bill to deprive a person of his citizenship without granting him his right to have his case considered by this tribunal."

JAPANESE PEACE TREATY: The following discussion of the proposed Japanese Peace Treaty was recorded in the House of Commons on April 2.

Mr. Gordon Graydon (Peel): I should like to ask the Secretary of State for External Affairs if Canada is a party to the announcement made on Saturday by Mr. John Foster Dulles in reference to the proposed treaty of peace or treaty of rearmament with respect to Japan; and if so, whether Canada gave her consent to having the statement made by Mr. Dulles on our behalf.

The Secretary of State for External Affairs (Mr. Pearson): I believe Mr. Dulles spoke in Los Angeles on Saturday evening in regard to a treaty of peace with Japan. He spoke on behalf of the United States Government, and not on our behalf, or, so far as I know, on behalf of any other Government. It is quite true, however, that a draft treaty of peace with Japan has been worked out by the United States Government after informal consultations with certain other Governments. That draft treaty has now been submitted to the Canadian Government and other Governments for their consideration, and in due course we shall have some comments to make on it. So far, however, the consultation has been entirely informal, and the draft represents the views of the United States only.

Mr. Graydon: May I ask the Minister if the draft he refers to is what Mr. Dulles referred to in his speech as a series of pacts?

Mr. Pearson: No, I was referring to the draft treaty of peace with Japan. However, during his speech I believe Mr. Dulles made reference to certain other possible security and mutual assistance arrangements between the United States and Australia and New Zealand. That may have caused some confusion in the minds of those who read press reports of his speech.

Mr. Graydon: Then may I ask the Minister whether they would be the forerunners of a defence pact for the Pacific area?

Mr. Pearson: No, I do not think so. This would be an arrangement that covered only the three Governments I have just mentioned.

The Bureau of Statistics cost-of-living index rose from 172.2 to 179.7 between February 1 and March 1, 1951. This increase of 4.5 points was equivalent to an advance of 2.6 per cent. All group indexes moved higher in February, although two-thirds of the total increase was due to higher food prices. The index for foods rose from 224.4 to 233.9**** January sales of wholesalers reached a peak for the month, rising 32 per cent over the same month last year, according to the monthly survey of nine lines of trade. The general unadjusted index of sales, on the base 1935-39=100, stood at 306.7 as against 232.0 for January, 1950**** Industrial employment in the major non-agricultural industries was seasonally lower at the beginning of February than at January 1 but was higher than a year earlier. The advance index number of employment, on the base 1935=100, was 172.4 -- a new high for the time of year -- as against 175.3 at January 1 and 158.3 at the beginning of February last year**** Canadian production of wheat flour was higher in February, amounting to 1,984,659 barrels as compared with 1,598,265 in the corresponding month last year. In the first seven months of the current crop year, 13,718,626 barrels were produced as against 12,168,284 in the same period of 1949-50**** Hourly-rated wage-earners reported in manufacturing for the week ending January 1 worked an average of 40.2 hours, or 2.9 hours less than in the week ending December 1, according to an advance statement by the Bureau of Statistics. The latest figure of average hourly earnings rose 1.1 cents from a month earlier to a new maximum of 108.9 cents. With the shorter hours in the holiday week, however, average weekly wages fell \$2.68 to \$43.78; this figure was 8.5 per cent above that of \$40.34 recorded 12 months previously.

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NEW FIGHTER SQUADRON: The formation of a new fighter squadron for the Regular RCAF, No. 441, was announced on April 3 by the Minister of National Defence, Mr. Claxton. The squadron has been formed at St. Hubert, P.Q., and perpetuates the traditions of the wartime Silver Fox Day Fighter Squadron.

The squadron is equipped for the time being with Vampire jet fighters, and will be provided with Canadian-built jets at a later date. It comes under control of the RCAF's Air Defence Group, headed by Group Captain W.R. MacBrien, OBE, with headquarters at St. Hubert.

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NORTHWEST HIGHWAYS COMMANDANT: Colonel Herbert Wainwright Love, OBE, RCE, 37, of Ottawa, will shortly be posted to Whitehorse, Y.T., as Commandant of the Northwest Highway System, it has been announced.



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INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

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WEEK'S EVENTS IN REVIEW

BRIGADE ADVANCE PARTY TO KOREA: Fort Lewis, Washington, March 28 -- A small advance party of the 25th Canadian Infantry Brigade has sailed from a west coast port bound for Korea.

The party, which will make arrangements for the arrival of combat elements of the brigade in Korea, sailed aboard the U.S. Army troopship, Joseph P. Martinez. The vessel is the same one which carried members of the 2nd Battalion PPCLI to the combat zone.

At sea the advance party is under command of Major John G. Price of Toronto, brigade headquarters staff officer. Another brigade staff officer, Major Charles J. Hamilton of Brandon, Manitoba, will take over command of the party when it arrives in Korea.

Maj. Hamilton will co-ordinate the supply of equipment and vehicles, arrange liaison channels with other United Nations forces and supervise the preparation of initial accommodation for the brigade.

The brigade commander, Brig. J.M. Rockingham, is now on a reconnaissance trip to Korea. He is expected to return to Fort Lewis before the brigade leaves for the Far East.

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REPLACEMENT GROUP FORMED: The Minister of National Defence, Mr. Claxton, announced on March 29 the formation of the 25th Canadian Infantry Brigade Replacement Group at Fort Lewis, Washington. The Group will include all those elements of the Special Force which will remain behind at the U.S. Army Base when the 25th Canadian Infantry Brigade under command

of Brigadier J.M. Rockingham proceeds to Korea.

Temporarily appointed to command the Replacement Group is Brigadier William J. McGill, DSO, CD, 43, formerly of Ottawa.

In accordance with the Canadian Army's understanding with the U.S. Government, Canadian forces will be moved from Fort Lewis some time after the 25th Canadian Infantry Brigade sails for Korea.

After the 25th Brigade leaves for Korea, Brig. McGill will be responsible for the evacuation of Fort Lewis by the units remaining there and handing back to U.S. authorities the accommodation and facilities used by the Canadian troops. The remaining troops will be moved to Wainwright, Alberta, where they will continue their training during the summer.

Brigadier McGill has been recently commanding B.C. Area.

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NEW CONSTRUCTION AT CAMP WAINWRIGHT: To provide for expansion in the Canadian Army a number of new buildings are being erected at the large military camp at Wainwright, Alberta, it was announced on March 29 by the Minister of National Defence, Mr. Claxton.

This camp covers approximately 130,000 acres and has been developed during and since the Second World War as the largest training area in Canada.

Last year it was used in winter training for Canadian troops which took part in the joint United States-Canadian Exercise Sweetbriar, as well as by active and reserve army

EXPORT CREDITS INSURANCE CORPORATION: The Annual Report and Financial Statements of the Crown-operated Export Credits Insurance Corporation for the year ended December 31, 1950 was tabled in the House of Commons on March 20 by the Minister of Trade and Commerce, Mr. Howe.

The Report reveals that actual shipments during 1950 reported under current Policies amounted to \$33,025,438, compared with \$35,841,184 during 1949. Premiums paid in respect of these Declarations totalled \$217,225 in 1950 and \$220,721 in 1949.

The pattern of Canada's external trade during the year under review showed marked changes from previous years which was not without effect on the Corporation's activities. While the volume of Canada's overall exports was maintained, and indeed slightly increased in 1950, exports to the U.S.A. which are seldom insured through the Corporation rose substantially to offset a decline of 26% in exports to other destinations. However, the volume of exports insured by the Corporation during 1950 was only 8% less than during 1949.

In the 5½ years of the Corporation's operations, it has insured exports to a total of more than \$127 million involving sales to over 100 different countries. Without the assistance of the Corporation and the protection which it provides, a substantial proportion of these exports which it insured would never have been made. An underwriting reserve of \$1,400,000 has been built up to date.

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EXPANDED FOREIGN TRADE IN JANUARY: The Bureau of Statistics reports that Canada's foreign commodity trade was at a new high level in January, both imports and domestic exports increasing sharply over a year earlier to reach record values for the first month of the year, and imports again moving ahead of exports to produce an import surplus in trade with all countries.

Total merchandise imports were valued at \$327,200,000 in January, up from \$266,300,000 in December, and 54 per cent above the value of \$211,900,000 for January, 1950. Domestic exports were valued at \$285,100,000, down slightly from \$289,900,000 in December, but 29 per cent higher than last year's January value of \$221,200,000. Foreign exports also moved up to \$3,700,000 as against \$2,600,000. The result was an overall import balance of \$38,400,000 as compared to an export surplus of \$11,800,000 a year earlier.

Shipments to the United States in January continued the expansion of the preceding months, increasing 43 per cent in value to \$186,900,000 as compared to \$130,900,000 in January, 1950. Imports from the United States, however, showed an even sharper rise of 51 per cent to \$233,300,000 as against \$154,500,000. With foreign exports at \$3,400,000 compared to \$2,100,000, Canada had an adverse balance of

\$43,000,000, with the United States on commodity account as against \$21,500,000 a year earlier.

Imports from the United Kingdom in January increased to \$33,900,000 compared to \$26,100,000, while domestic exports declined in value to \$40,100,000 from \$48,600,000 and the small amount of foreign exports also fell off. The result was a small credit balance of \$6,200,000 with the United Kingdom in comparison with \$22,800,000 for January last year.

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CF-100 PROTOTYPE TO VISIT U.K.: Plans are being made for one of the CF-100 Canuck prototypes to fly to the United Kingdom where it will be demonstrated to the Royal Air Force; it was announced on March 27 at RCAF Headquarters.

Date of the trans-Atlantic flight is not yet firm, but is expected to be sometime in April or May. The sleek all-Canadian long-range jet fighter will probably fly from Malton, near Toronto, to Gander, Newfoundland, and will depart from there for the United Kingdom.

During its stay in the UK the Canuck will be located at Boscombe Down in southern England, an RAF aircraft evaluation centre. The trip to Britain is being made at the request of RAF officials who wish to obtain first-hand information about Canada's new all-weather fighter.

Flying the aircraft will be Squadron Leader E.L. (Shan) Baudoux, DSO, DFC, of Stellarton, N.S., RCAF test pilot from the Experimental and Proving Establishment, Rockcliffe. With him, serving as navigator and radio operator will be Flying Officer J.W. Whelan of Kars, Ontario, and Ottawa, also on the staff of Experimental and Proving Establishment.

Air Force Headquarters said that the flight itself will not be an attempt on any trans-Atlantic speed crossings, but will be merely a means of getting the aircraft to the UK.

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STRIKES AND LOCKOUTS DURING FEBRUARY: Although time loss through work stoppages arising from industrial disputes in Canada during February, 1951, was slightly higher than in the previous month, it was 24 per cent lower than the figure for February, 1950, according to a preliminary summary of strikes and lockouts issued on March 22 by the Minister of Labour, Mr. Gregg.

Preliminary figures for February, 1951, show 18 strikes and lockouts in existence involving 4,508 workers with a time loss of 18,878 man-working days, as compared with 17 work stoppages in January, 1951, with 6,253 workers involved and a time loss of 16,763 days. In February, 1950, there were 16 strikes and lockouts involving 3,861 workers with a time loss of 24,871 days.

One work stoppage of steel products factory workers at London, Toronto, Montreal, and Winnipeg involved half the total workers and caused half the total time loss during February.

Of the 18 strikes and lockouts in existence for varying periods during February, 1951, four were in effect prior to the first of the month. All four of these work stoppages were terminated by the end of the month. Of the 14 which commenced in February, nine were terminated by the end of the month. Thus, there were five strikes and lockouts still in effect at the beginning of March.

Based on the number of non-agricultural wage and salary workers in Canada, the time lost in February, 1951, amounted to 0.02 per cent of the estimated working time, as compared with 0.02 per cent in January, 1951; and 0.03 per cent in February, 1950.

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WATER POWER RESOURCES OF CANADA: In the annual bulletin "Water Power Resources of Canada" issued on March 19, the Minister of Resources and Development, Mr. R.H. Winters, reports that water-power development in Canada continued at a high level throughout 1950. The principal contributing factor was industrial expansion, but there was also an increase in commercial and domestic electrical loads and in rural electrification.

The bulletin, which covers the full calendar year, summarizes overall resources, and reviews them from the viewpoints of provincial distribution, the progress of water-power development throughout Canada, general growth and utilization, and the relationship of developed power to population.

Currently recorded water resources total nearly 27,000,000 h.p. under conditions of low stream flow; almost 43,000,000 h.p. at average flow. The latter figure represents a feasible turbine installation of over 55,000,000 h.p. Total turbine installation at the close of 1950 is listed as 12,562,750 h.p., indicating the development of about 23% of available resources.

Hydro-electric construction had an active year. New capacity brought into operation totalled 962,275 h.p. and good progress was maintained on fresh developmental work and additional projects investigated or planned. About 88% of hydraulic plants serve as central electric stations and, as production in 1950 reached a new high level, the demands on primary power curtailed the use of secondary power. Among major consumers of hydraulic power are the pulp-and-paper and mineral industries. The installed capacity of water-power plants now equals 907 h.p. per thousand of Canada's population.

The Water Resources bulletin may be obtained free on application to the Chief, Water Resources Division, Department of Resources and Development, Ottawa.

CANADA-U.S. CIVIL DEFENCE PACT: Agreement became effective on March 27 between Canada and the United States providing the basis for mutual civil defence aid in the event of enemy attack. The two countries are co-ordinating their civil defence planning and arrangements, it was announced by the Minister of National Health and Welfare, Mr. Paul Martin, who was recently given cabinet responsibility for civil defence in Canada.

Announcement of the exchange of notes putting into effect the agreement between the neighbouring countries was made simultaneously at noon today (March 27) in Ottawa by Mr. Martin and in Washington by U.S. authorities. The agreement was signed for Canada by Hume Wrong, Canadian Ambassador, and for the United States by Dean Acheson, Secretary of State.

Mr. Martin noted that the agreement climaxes discussions which have been in progress for some time and provides for close integration of the civil defence organizations headed, in Canada, by Major General F.F. Worthington and in the United States by Willard Caldwell.

Under the mutual aid agreement, state and provincial civil defence authorities in adjacent jurisdictions will be authorized by the federal civil defence authority to confer together to ensure co-operation between them on civil defence. They will also be empowered to authorize co-operation between border municipalities to co-ordinate planning and provide for immediate warning and action in the event of attack.

EXCHANGE OF INFORMATION

Specifically, it is agreed that the national civil defence authorities in each country will exchange information on civil defence federal, state, provincial and local legislation, organization and regulations, research, development, standardization and availability of equipment, supplies and facilities; training schools, courses, methods and publications; working agreement with state, provincial and municipal authorities, and other agencies, and on public information and education.

Civil defence personnel will also be exchanged, and the United States and Canada will each open their training schools to students of either country.

Appropriate legislation is being sought in the United States and the necessary steps are being taken in Canada for the modification of existing customs and immigration regulations and other arrangements affecting border controls, so that all civil defence supplies, equipment and facilities -- including medical, hospital, fire-fighting, police, rescue, evacuation, welfare, transportation, communication and other related services -- may be utilized to the fullest extent.

Mr. Martin announced that it had been agreed that the cost of civil defence assistance furnished by one country to the other will be reimbursed.

The agreement provides for direct communication between the two civil defence agencies on technical matters, governmental policy, of course, being handled through regular diplomatic channels.

Under the agreement a joint United States -- Canadian Civil Defence Committee is established, to consist of the national civil defence authorities of the two countries and of other officials of appropriate government agencies. From time to time this Committee will establish working groups and sub-committees, and will recommend jointly to their respective governments action necessary to implement the agreement.

Mr. Martin noted that, while the agreement was formulated on February 21, 1951, at a meeting in Ottawa between officials of the Federal Civil Defence Administration of the United States and officials of the Canadian Government, negotiations had been going on since last November.

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THE CURRENT EMPLOYMENT SITUATION: The Minister of Labour, Mr. Gregg, on March 29 issued a statement on the current employment situation, which read, in part, as follows:

A gradual return to work by many persons who were seasonally unemployed during mid-winter has become apparent in recent weeks.

Construction in most parts of the country, favoured by the weather and assisted by slowly improving material supplies, shows signs of early and rapid expansion, with preparatory work under way. The usual winter slowdown in west coast logging is over, and activity is being resumed at a strong pace. Seasonal and defence-induced expansion in numerous branches of manufacturing, including textiles, agricultural implements, chemicals, aircraft and automobiles is helping to maintain the continuing rise in total manufacturing employment, despite some seasonal slackening and scattered work interruptions due to material shortages. Although the demand for manpower for both defence and non-defence manufacturing continues to show up spot shortages of technicians and skilled tradesmen, many of these are due to the exacting experience requirements of employers and not to any real scarcity of trained personnel.

The current situation is the product of divergent tendencies in the different regions: rising employment in British Columbia and Ontario, little change in the Prairies and slight declines in employment in Quebec and the Atlantic Provinces. The declines are primarily the result of the approach of eastern logging to its usual late-winter slump.

The buoyancy of the economy as a whole is illustrated by the decline of 6,500 in the number of applications for employment on file with offices of the National Employment Service that took place during the last two weeks of February.

NATIONAL NOTES

More than 600 Canadian sailors paid their first visit to a South Sea island last week when HMCS Ontario (Commodore H. F. Pullen, O.B.E., R.C.N.) called at Pago Pago, capital of American Samoa. It was the second stop in her current three-and-a-half month training cruise to Australia and New Zealand.

A mock air attack on Ottawa was staged on March 21 for the benefit of provincial representatives at the civil defence staff forum in Hull.

Major G. E. Shrage, 49, formerly of Kenora, Ontario, has been promoted to the rank of acting lieutenant-colonel and named to command the 20th Canadian Field Lental Detachment, RCDC, of the Special Force, it was announced on March 21 at Army Headquarters.

Lt.-Col. William M. Arnold, 34, of Ottawa and Winnipeg, has been selected for appointment as General Staff Officer, Grade One, with the Canadian Army Liaison Establishment in England, it was announced on March 21 by the Minister of National Defence, Mr. Claxton. He will take over his new post in the near future.

The Minister of Transport, Mr. Chevrier, has announced the conditions under which flying clubs and schools may qualify to conduct an Approved Course of Commercial Pilot Training. The approved course of training will provide for supervised training in instrument and night flying. Commercial Pilot applicants completing an approved course of training may now qualify for their licence with a minimum total of 150 hours flying experience as compared with the 200 hours previously required.

The destroyer HMCS Crusader will be commissioned at Esquimalt April 2 under the command of Commander Harold V. W. Groos, 38, of Victoria, Naval Headquarters announced on March 19. At present completing refit, the Crusader will be employed on training and will be commissioned in time to take part in this summer's sea training programme for cadets of University Naval Training Divisions and personnel of the R.C.N. (Reserve).

Provision for the extension of last year's scheme whereby university students now entering their final undergraduate or postgraduate year may be commissioned in the regular forces, was announced on March 27 by the Minister of National Defence, Mr. Claxton. The scheme applies to veterans and non-veterans.

CANADA'S CAMPAIGN AGAINST CANCER

MR. MARTIN'S SPEECH AT CHATHAM: On March 27 the Minister of National Health and Welfare, Mr. Paul Martin, reviewed recent progress made by the federal and provincial Governments in connection with cancer research, prevention, and education. After referring to the Canadian Cancer Society's annual campaign for funds which begins on April 1, and to the \$2,000,000 Institute of Radio-Therapy, which is to be built on the grounds of Wellesley Hospital in Toronto, Mr. Martin discussed the extent of the Problem posed by cancer and the nature of the disease.

He then reviewed quickly, province by province, a few outstanding developments made possible with the assistance of federal grants under the National Health Programme:

Newfoundland:

Provincial Anti-Cancer Services have been built around St. John's General Hospital where X-ray treatment is now given free of charge with equipment provided by the federal grants. During the past year, more than 1,300 persons received free therapeutic treatment. The public laboratory of the Department of Health also provides tissue examinations for cancer patients.

Prince Edward Island:

Federal grants have made possible the establishment of two diagnostic clinics and a registry of cancer cases. In order to raise the level of cancer diagnosis, laboratory services in the general hospitals of the Province are also being improved. A physician is being trained to become Director of the Cancer Control Division and another to take charge of radiological services.

Nova Scotia:

Cancer control work in Nova Scotia centres around the cancer diagnostic clinic of the Victoria General Hospital in Halifax, which receives grants to assist in the hospitalization of cancer patients. The work is directed by a team, consisting of surgeons, physicians, a radiologist, a physicist, and a pathologist. X-ray equipment has been purchased for the clinic and a grant to the Pathological Institute is improving laboratory service for the diagnosis of cancer.

New Brunswick:

In New Brunswick there are ten diagnostic clinics and hospitals, several of which have been established since 1948. Tissue examinations are given free to clinic patients and it is planned to assume the hospitalization costs for patients undergoing biopsy examinations. Federal funds have also been allocated for the purchase of radium and for the training of

several physicians to take their part in the programme operated by the Division of Cancer Control of the New Brunswick Department of Health.

Quebec:

Federal grants have assisted in establishing, staffing and equipping clinics at ten Quebec hospitals and universities. Federal assistance has also been given to the Montreal Cancer Institute and to the Radium Institute of Montreal. Training is being provided to more than 35 physicians and technicians who will be available for cancer work in the Province, and the federal Government now contributes substantially towards the cost of hospitalization of cancer patients.

Ontario:

Besides the very considerable federal grant to be made to the new cancer centre to be developed at Wellesley Hospital in Toronto, federal grants have also been made to the Ontario Cancer Treatment and Research Foundation which maintains two cancer clinics and subsidizes eight regional clinics.

Manitoba:

Federal grants have been made to the Cancer Relief Research Institute which co-ordinates all cancer activities throughout the Province. The programme includes diagnosis, screening, and the extension of biopsy service without charge to all physicians and to hospitals which have no pathological service of their own; the establishment of master diagnostic clinics at the Winnipeg and St. Boniface General Hospitals; the provision of X-ray therapy to all residents of the Province outside Greater Winnipeg without charge; the provision of radium service for free radium therapy in rural areas; and the maintenance of a registry of all cancer patients.

Saskatchewan:

Since the inauguration of the National Health Programme, the federal Government has allocated almost \$700,000 to aid in Saskatchewan's existing Cancer Control Programme, which is operated by the Saskatchewan Cancer Commission. All Saskatchewan residents are entitled to free medical and hospital care at provincial expense, including all forms of diagnosis, treatment, surgery, and follow-up at the two provincial clinics in Regina and Saskatoon. A registry of cases is maintained and from time to time patients are brought back for check-up and review. The Canadian Cancer Society employs a medical social worker to serve each clinic, while the Victorian Order of Nurses provides care in the home.

Alberta:

In Alberta, the federal Government contributes one half of the total cost of the Province's Cancer Control Programme. This money is used for hospital care, for diagnostic purposes, medical treatment at government clinics in Edmonton and Calgary, hospitalization of old age pensioners suffering from cancer, and for educational and other preventive measures.

British Columbia:

During the past two and a half years, federal aid to the British Columbia Cancer Foundation has amounted to a quarter of a million dollars. Federal funds have enabled the Cancer Foundation to provide free biopsy and cytology service to cancer patients. Key general hospitals have been assisted with the purchase of equipment for the diagnosis and treatment of cancer. Federal grants have also been made to the British Columbia Cancer Institute to assist in the operation of a special nursing home for cancer cases, while training is being provided for two physicians and three radio-therapy technicians.

Mr. Martin then noted the manner in which a pattern of cancer control was developing and the importance of public and professional education regarding cancer, its diagnosis and treatment. He concluded by mentioning the importance of research leading to "the ultimate victory over cancer" and by commending to his hearers, the members of the Kiwanis and Rotary Clubs of Chatham, the Canadian Cancer Society's campaign.

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(Continued from p.1)

NEW CONSTRUCTION AT CAMP WAINWRIGHT

units from the Prairie Provinces and British Columbia.

This summer the camp will in addition be one of the places used in training reinforcements for the 25th Infantry Brigade in Korea, as well as for many of the new entries in the army in Western Canada.

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DEFENCE MINISTER HONOURED: The Minister of National Defence, Mr. Claxton, was presented with a plaque "in recognition of his outstanding contributions to commercial peace and security" at a dinner meeting of the American Arbitration Association in the Metropolitan Club, New York City, the evening of March 30.

Thomas J. Watson, Chairman of the International Business Machine Co. Ltd., made the presentation on behalf of the American Arbitration Association, the Canadian Commercial Arbitration Association and the International American Commercial Arbitration Commission.

The citation on the plaque reads: "Presented to Brooke Claxton in recognition of his outstanding contribution to commercial peace and security in the western hemisphere through the advancement of arbitration and its resulting goodwill and friendship among the people of twenty-two countries."

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NATIONAL STATISTICS

Department store sales in Canada in January this year -- excluding Newfoundland-- totalled \$58,250,000, a gain of 17 per cent over last year's January sales of \$49,719,000. There were increased sales in all Provinces, gains ranging from six per cent in Saskatchewan to 22 per cent in British Columbia****Visible supplies of Canadian wheat in store or in transit in North America on March 15 amounted to 195,967,082 bushels compared with 201,175,727 a week earlier, and 141,098,031 on the corresponding date last year. Deliveries from farms in the Prairie Provinces during the week totalled 476,403 bushels against 2,076,497 a year earlier, bringing the total for the current crop year to 265,164,271 bushels from 256,181,498 in the same period a year ago. Overseas export clearances in the week amounted to 2,878,280 bushels against 1,899,389 in the same week last year, and in the cumulative period totalled 86,724,123 bushels as against 103,696,453****With operating revenues exceeding \$15,000,000 and aggregate cargo tonnage of over 36,600,000 in 1950, National Harbours Board showed gains of 8 per cent over the previous year, both as to income and cargoes, according to the fifteenth annual report presented to Parliament on March 20 by the Minister of Transport, Mr. Chevrier. The outstanding feature of the year's traffic was an increase of 37 per cent in foreign inward cargo tonnage. Foreign outward tonnage declined 16 per cent, lower grain exports being a large factor in this loss of tonnage. Domestic traffic continued its upward trend****Stocks of creamery butter in nine cities of Canada on March 16 amounted to 6,246,000 pounds as compared with 21,222,000 on the corresponding date last year****The general wholesale price index number, on the new base, 1935-39=100, rose in January this year to 233.8 from 226.4 in the preceding month and 199.9 in the corresponding month last year. Increases over the preceding month were recorded in each of the eight main sub-group indexes. Largest gain of 14.6 points was shown in textile products, followed by animal products with an advance of 13.3 points, and wood products with a rise of 10.7 points****The index of general building materials, on the new base, 1935-39=100, rose to a new peak of 279.7 from 267.6 in December and 229.1 a year earlier, and the composite wholesale index for residential building materials was at a new high of 269.6 compared with 263.0 in December and 227.3 last year.



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INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

TRANSPORTATION COMMISSION REPORT: The Royal Commission on Transportation has recommended a new national transportation policy of co-ordinating all federally-controlled carriers, and a new deal in rail freight rates through Canada-wide equalization with the aid of a \$7,000,000-a-year subsidy.

The 200,000 word report was tabled in the House of Commons on March 15 by the Prime Minister, Mr. St. Laurent, who said at the time that the Government will no doubt have some legislation to recommend based on the recommendations of the Report at this present session.

The highlights of the Report are as follows:

A national transportation policy calling for co-ordination of all transport agencies--railways, aviation, shipping, pipelines -- under federal jurisdiction, including perhaps interprovincial and international highway traffic.

General equalization of freight rates between all regions of Canada.

A new federal subsidy of an estimated \$7,000,000 a year to help cover the cost of moving goods between east and west across thinly-settled Northern Ontario.

A recapitalization plan for the government-owned Canadian National Railways to give it a more stable financial structure.

No change in the federal statute guaranteeing the West its low, fixed "Crow's Nest Pass" freight rates on grain and grain products.

Modification of future freight-rate increases to lessen the impact on long-haul traffic and some commodities--of particular benefit to the West and the Maritimes.

No public ownership of all railways or amalgamation.

No federal construction of the proposed \$100,000,000 Chignecto Canal in the Maritimes.

No major change in the Maritime Freight Rates Act giving that area subnormal rates.

Extension to prairie points of part of the benefits of low "transcontinental" freight rates between Eastern Canada and British Columbia.

Action to speed the disposition of railway revenue (rate-increase) cases, with interim increases being granted where justified.

Closer scrutiny of co-operative economy measures taken by the two big railways.

Improvement in the CNR's car-ferry service between Prince Edward Island and the mainland.

No change in the existing system of the railways and their labour unions negotiating their disputes.

A more favourable freight-rate setup for Newfoundland (already largely implemented).

Greater freedom to be allowed the railways in abandoning unproductive lines and making other economies.

No change in the method of setting freight rates -- as proposed by the CPR -- to make that company's investment value the basis of rates.

THOUSANDS WOULD BE NEEDED IN CIVIL DEFENCE

STAFF FORUM OPENED: How war-tested overseas civilian organization may be adapted and applied to Canadian conditions in the event of enemy attack was explained on March 13 to provincial representatives attending the civil defence staff forum which has opened at the deSalaberry Armouries, Hull, Quebec.

Detail of the set-up of a civil defence division, which would be the self-contained unit for a large target area, was explained to the students by the school commandant, Col. W. Arthur Croteau, himself a graduate of British civil defence training on which much of Canada's planning is patterned.

It was indicated that, in the event of war, Canada would require hundreds of thousands of volunteers to assist and supplement the official fire, police, public health and utilities agencies of communities. The City of Montreal alone, it was estimated, would need thousands of civil defence personnel.

Provincial civil defence people who are attending the course were told that such organization would in no way replace existing public services but would be essentially for

emergency action. The commandant detailed the type of set-up which has worked under actual attack conditions in Britain, Germany and elsewhere, from headquarters of a division down through sub-divisions, districts, groups and sectors to warden posts.

Need for intensive training, close integration and sustained interest was stressed as the students were told of the numerous special groups which would go to make up an efficient civil defence division. Col. Croteau pointed out that this was a matter of considerable magnitude; saturation raids on Hamburg in the last war, for example, had killed an estimated 32,000 persons within a matter of hours. Whole cities had been literally wiped out by air attack.

It was noted that in Canada a suggested local civil defence division would include six sections, headquarters, warden, rescue, ambulance, engineer and welfare, each target area having such an organization. Col. Croteau emphasized the importance of special care in the provision of rescue equipment to ensure that it was available in emergency.

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CANADA-FRANCE TAX AGREEMENTS: Agreements between Canada and France for removing double taxation in the fields of income tax and succession duties were concluded in Paris on March 16. Major-General George P. Vanier, Canadian Ambassador, signed on behalf of Canada and Mr. Alexandre Parodi, Secretary General of the Ministry of Foreign Affairs, signed for the Republic of France.

These Agreements form part of the general programme of the Canadian Government of seeking international co-operation in removing tax obstacles which might otherwise hinder the free flow of capital and commerce across international boundaries. Agreements similar to those just signed with France have already been entered into with the United States, the United Kingdom and New Zealand. Discussions with other countries are in prospect.

The present Agreements with France follow closely the pattern set by Canada's tax agreements with other countries. Under the Income Tax Agreement the two Governments agree to follow certain rules in taxing industrial and commercial profits earned in their country by business concerns of the other country. Parent-subsidiary corporation relationships are codified. Special provision is made for ships and aircraft. Other articles deal with royalties, pensions, annuities, earnings of professional men, public servants, teachers and students. Each country undertakes in a general way to allow a credit against its own tax for taxes paid at the source on income from the other country. Retroactive effect is given to a provision limiting the taxation by France of

Canadian companies which have had branch offices or subsidiaries in that country. Under the Agreement each Government may give administrative assistance to the other by way of information upon request in particular cases.

The Agreement in the succession duty field is limited mainly to reciprocal undertakings to allow credits in one country in respect of duty paid to the other country.

These Agreements will be effective upon approval by the Canadian Parliament and the French National Assembly. It is expected that they will be dealt with in Canada during the present session of Parliament.

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SCHOOL NAMES HONOUR NAVAL HEROES: Contract has been let for the erection of an 18-classroom frame school in the heart of the Belmont Park naval housing project near Victoria, B.C., the school to be known as the "John Stubbs Memorial School", in memory of the late Lieut.-Cdr. John Hamilton Stubbs, DSO, DSC, RCN, commanding officer of the first HMCS Athabaskan, who lost his life when the Athabaskan, a Tribal class destroyer, was sunk in action off the coast of France in the spring of 1944.

A school being built at the RCN Air Station, Dartmouth, N.S., will be called the "Hampton Gray Memorial School" in memory of Lieut. Robert Hampton Gray, VC, DSC, RCNVR, of Nelson, B.C., who gave his life in an heroic and successful air attack on a Japanese destroyer in August, 1945, and was awarded the Victoria Cross posthumously.

IN PARLIAMENT THIS WEEK

COLOMBO PLAN: The following question and answer on the Colombo Plan were recorded in the House of Commons on March 15:

Mr. M.J. Coldwell (Rosetown-Biggar): May I direct a question to the Secretary of State for External Affairs? Has the Minister's attention been drawn to, or has the Government any knowledge of, a reported statement by the Secretary of State of the United States, Mr. Acheson, that his Government would not contribute to the financing of the Colombo Plan?

In view of what the Secretary of State for External Affairs said last month, could he make a statement regarding the present attitude of the Government of Canada in relation to this Plan?

The Secretary of State for External Affairs, Mr. Pearson: Mr. Speaker, my attention was drawn to a statement made by the Secretary of State of the United States on this matter on February 21, in Washington, and to certain press interpretations of that statement. We have been assured that these interpretations were not accurate, and that the attitude of the United States Government toward the Colombo Plan is still one of desire to co-operate in the implementation of that Plan.

The most recent statement from Washington on this subject--it is an official statement--was on March 5 last, and one paragraph of that reads:

"It confirms that the United States should continue full participation in the Consultative Committee--"

That is a Consultative Committee set up by the Colombo Plan countries.

"--and co-ordinate its assistance activities with those of the countries concerned."

Therefore we have no reason to believe that the United States is still not anxious to co-operate in carrying out this Plan.

As to the second part of the hon. gentleman's question, I do not think that there is anything that I can add to what I have already said on this subject. I understand that an item covering this matter will be placed in the estimates, and that will be an indication of the Government's intention to proceed.

CREDIT REGULATION AMENDMENTS: The following is the text of the explanation given by the Minister of Finance, Mr. Abbott, in the House of Commons on March 14 concerning the amending of regulations under the Consumer Credit Act:

"Mr. Speaker, I wish to table a copy of Order in Council P.C. 1249 dated March 13, 1951, and made under the authority of the Consumer Credit (Temporary Provisions) Act, 1950. The initial regulations made under this Act were published late in October and became effective on November 1 last. The terms and

conditions laid down by these regulations respecting minimum down payments and maximum periods of credit were generally more restrictive than prevailing business practice, but were not as severe as those which we had during the war, nor have they been as restrictive as the revised American regulations which became effective a few months ago.

"As hon. members are aware, there have been discussions recently between the Bank of Canada and the chartered banks regarding the most effective means of restraining the inflationary expansion of bank credit. As a result of these discussions one of the steps the chartered banks have taken is to call a halt to further expansion of loans on the security of instalment finance paper.

"In conjunction with this move, and with the same purpose of restraining inflationary credit expansion, the consumer credit regulations have been amended by the Order in Council which I have just tabled. The new regulations will come into effect next Monday, March 19.

"The principal changes being introduced are:

"First, in the case of motor cars the minimum down payment is increased from one-third of the cash price to one-half of the cash price.

"Second, in the case of all other commodities affected by the regulations the minimum down payment is increased from one-fifth to one-third of the cash price.

"Third, in all cases the minimum down payment will be not less than \$10 instead of \$5 under the former regulations.

"Fourth, the maximum period of credit has been reduced from eighteen months to twelve months, and the minimum size of instalment payments has been increased to \$10 a month or \$2.50 a week, as compared with \$5 a month or \$1.25 a week under the previous regulations.

"Fifth, under what is known in the trade as a revolving credit plan, the minimum initial down payment is increased to \$10, and wherever new purchases are made under existing credits the minimum monthly instalment is increased to \$10.

"Finally, as a result of varied representations and a further review of the effects of the present regulations we have decided that the consumer credit restrictions should not apply to the sale of books.

"In their net effect the new regulations will be much stiffer than those now in effect, but except in the case of motor cars they will be no stiffer, and in some cases not quite so stiff as those in effect during the war. During the war we required a one-third down payment for cars, and if the amount remaining to be financed exceeded \$500 the purchaser had fifteen months in which to complete his payments. Now we are requiring fifty per cent down and the balance spread over twelve months. Hon.

members will realize, of course, that where an old car is being turned in, its trade-in value will normally constitute the greater part if not the whole of the required down payment.

"In the case of other commodities our new regulations require one-third down and the balance over twelve months. During the war the same down payment was required, but the balance had to be paid in ten months, unless the amount to be financed exceeded \$500."

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ARREST OF MISSIONARY SISTERS: The following question and answer on the subject of the reported arrest of five missionary sisters by Chinese Communists were recorded in the House of Commons on March 19:

Mr. E.D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether he is in a position to say what steps are being taken by the Canadian Government in the light of the reported arrest by the present Government of China of five missionary sisters under obviously trumped-up charges?

The Secretary of State for External Affairs, Mr. Pearson: This information has been brought to our attention and we are taking what steps we can to inquire into the basis of it. On the face of it it would appear that the charges have been made for communist propaganda purposes of a kind with which we have become all too familiar in recent years.

* * * *

M. VINCENT AURIOL'S VISIT: The Department of External Affairs, on March 19, issued the following information concerning the forthcoming visit to Canada of the President of the French Republic, M. Vincent Auriol.

Mme. Auriol will accompany the President. Principal members of the party are: M. Robert Schuman, Minister of Foreign Affairs, General Paul Grossin, Military Secretary General of the Presidency, M. Jacques Dumaine, Minister Plenipotentiary and Chief of Protocol.

The President and his party will arrive at Ottawa by train from New York Thursday morning, April 5. There will be a luncheon at Government House by Their Excellencies the Governor General and Lady Alexander. At 3:30 p.m. the President will address the two Houses of Parliament in the House of Commons Chamber, following which there will be a reception by the Speakers. The President will lay a wreath at the National War Memorial.

M. Auriol will give a dinner at the French Embassy, followed by a reception at 10:00 p.m.

The President and his party will arrive in Toronto by Train on Friday morning and will drive to the Parliament Buildings. M. Auriol will lay a wreath at the Cenotaph. There will be a luncheon by the Lieutenant-Governor. It is expected that the President himself will return to Ottawa by air while most of his party will travel by train. At dinner he will

be the guest of the Prime Minister and Mrs. St. Laurent.

Arriving in Quebec Saturday morning by train the President will visit the Parliament Building and will lay a wreath at the War Memorial. A luncheon will be given by the Lieutenant-Governor and Madame Fauteux. An honorary degree will be conferred on M. Auriol at Laval University. The Government of the Province of Quebec will give a dinner. The President and his party will remain in Quebec Saturday night and will attend Mass in memory of the Allied dead of the two World Wars at the Basilica Sunday morning, leaving immediately afterwards for Montreal by train.

Reaching Montreal Sunday afternoon, the President will visit the University of Montreal, Collège Stanislas and McGill University. A dinner will be given by the Speaker of the Senate and Mme. Beauregard and later that night the President and his party will leave from Dorval airport for Paris.

* * * *

DEFENCES AGAINST ABC ATTACK: Canada's high standard of living is one of her best shields against bacteriological warfare in the opinion of defence experts. Efficient public health services have given this country such basic fitness from the point of view of sanitation, prevention and treatment facilities, quarantine, good housing, etc., that an enemy might hesitate to employ germs or other disease agents here.

These were some of the matters discussed at the civil defence forum in Hull last week by medical and special weapons' officers of the Department of National Defence, says the report of the Department of National Health and Welfare.

At the same time, the provincial people attending the forum were warned, Canada must learn all she could about possible ABC weapons and be ready for them. In particular, the new "nerve" gases, which literally choke their victims to death, were explained as the military specialists described all the horrors which atomic, bacteriological and chemical warfare would bring.

* * * *

INDUSTRIAL EMPLOYMENT: Employment in the major non-agricultural industries at the beginning of January showed the usual seasonal decline from December 1, but there was a substantial advance over a year earlier. The preliminary index computed for the first time on the new base period, 1939 as 100, stood at 175.3 -- a new high for January 1 -- as compared with 179.2 at December 1, and 163.8 at January 1, 1950.

Payroll disbursements were lower by five per cent in the holiday week of January 1 than in the week of December 1. As compared with January 1, 1950, however, there was a gain of 14.4 per cent.

"CANADA AND THE ATLANTIC COMMUNITY"

MR. HEENEY'S ADDRESS: Addressing the Canadian Club of Montreal on March 19, on the subject, "Canada and the Atlantic Community," the Under-Secretary of State for External Affairs, Mr. A.D.P. Heeneey, said:

"The establishment of the North Atlantic Alliance, just two years ago, was, I believe, the most important diplomatic event since the end of the war. The rapid building up of the strength of that Alliance offers the most solid ground for hope that a third world war can be prevented. And, if Soviet aggression cannot be deterred, this combination of Atlantic nations affords the only firm basis for the successful defence of the free world."

After detailing the events which led up to the signing of the North Atlantic Treaty and explaining its provisions and the structure of NATO Mr. Heeneey said in part:

"General Eisenhower's tour of all the North Atlantic countries at the beginning of this year has put fresh heart into the Alliance. When the General returned to the United States he was able to report that, given unity in spirit and action, the job of NATO - the defence of the West - could be done. His dynamic presence in the European capitals had a remarkable effect on the morale of the Western Allies. Combined with the turn of the United Nations fortunes in Korea, the establishment of NATO's supreme command near Paris has achieved a substantial upswing toward that solid confidence which is the first prerequisite of success.

"I would not wish to leave the impression that with NATO all is well. That is far from

being the case. For the gap is still wide between what we have and what we need. And the time may be short. But NATO has at last begun to gather way and the forces are at work throughout the nations of the West which, given time (and that is an important proviso), will ensure the attainment of the first purposes of the North Atlantic Treaty. The framework of organization has been constructed and the flesh has begun to appear on the skeleton.

"Despite the critical position in the Far East and the pressure from the forces of Soviet imperialism in other areas of the world, the eyes of the NATO countries have remained fixed on the crucial strong point of Western Europe. For the first time in peace - or in an area where there are no hostilities - the troops of one country have been submitted voluntarily to the command of a citizen of another. For the first time since the Crusades, Western Christendom has an army made up of forces contributed by various nations committed to a common purpose. Here are grounds for hope. Here is a foundation for confidence that the forces of Communist imperialism are not irresistible, that Europe is not lost and that neither Britain nor North America will be the last or sole citadel of freedom. Our feet are set firmly upon the right road.

"The common defence is the immediate and urgent goal of the North Atlantic Treaty. But there is no reason why we should lose sight of the farther horizon - the ultimate creation in the Atlantic area of a great community of free nations...."

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R.G. (GERRY) RIDDELL: Funeral rites were held in Ottawa on March 20 for R.G. (Gerry) Riddell, Canada's Permanent Delegate to the United Nations, who died in Virginia last week.

The Prime Minister, Mr. St. Laurent, headed a group of Cabinet Ministers and high-ranking officials of the Department of External Affairs who paid tribute to the young diplomat.

The service was conducted at Southminster United Church by Rev. Charles Donald, while flags throughout the capital flew at half mast. At Lake Success, N.Y., the United Nations flag flew at half mast, and according to protocol, none of the flags of the 60 UN members which usually are raised in front of the UN site, were flown on March 20.

ATLANTIC FISHERIES COMMISSIONERS: Names of the three Canadian representatives appointed Commissioners to the International Commission for the Northwest Atlantic Fisheries were announced on March 17 by the Minister of Fisheries, Mr. Mayhew.

Canadian Commissioners are: Stewart Bates, Deputy Minister of Fisheries, Ottawa; J. Howard MacKichan, general manager, United Maritime Fishermen, Ltd., Halifax, N.S., and Raymond Gushue, Chairman, Newfoundland Fisheries Board, St. John's Nfld.

At the same time, Mr. Mayhew announced the appointment of Dr. A.W.H. Needler, Director of the Atlantic Biological Station, Fisheries Research Board of Canada, St. Andrews, N.B., as scientific adviser to the Commissioners.

NATIONAL NOTES

The Prime Minister and the Leaders of all Parties in the House of Commons, as well as private members, joined in paying tribute to Karl Homuth, Member for Waterloo South, who died suddenly in Ottawa on March 19.

Major William J. Neill, DSO, RCIC, 46, formerly of Vancouver, has been selected for exchange duties with the Australian Army, it has been announced by the Minister of National Defence, Mr. Claxton.

Continuing study of the problems of aircraft design and construction will be the object of the Fourth Session of the International Civil Aviation Organization's Airworthiness Division, which begins at ICAO headquarters in Montreal on March 20.

Lt.-Col. L.R. Crue, 45, of Summerside, P.E.I., and Ottawa, who has been serving in Tokyo as a senior staff officer with the Canadian Military Mission, Far East, has been appointed officer commanding the Administration Increment, 2nd Battalion PPCLI, in Korea.

The Minister of Transport, Mr. Chevrier, announced on March 20 the conditions under which flying clubs and schools may qualify to conduct an Approved Course of Commercial Pilot Training. The approved course of training will provide for supervised training in instrument and night flying. Commercial Pilot applicants completing an approved course of training may now qualify for their licence with a minimum total of 150 hours flying experience as compared with the 200 hours previously required.

RADIO SHOWS FOR SERVICEMEN: Arrangements have been completed through the courtesy of the Canadian Broadcasting Corporation to provide a continuing series of leading cross-country radio shows to Canadian servicemen in the Far East.

Nine shows, featuring music, comedy and sport, all originating in Canadian studios, will be tape-recorded and dispatched to Tokyo regularly. In the Far East they will be carried over either the long or short-wave networks of

the U.S. Armed Forces Radio Service (AFRS) or the long-wave station of the British Commonwealth forces, broadcasting from Kure in southern Japan.

NATIONAL STATISTICS

Canadian steel mills turned out record tonnages of steel ingots in January this year, according to figures released by the Bureau of Statistics. The month's output amounted to 299,410 net tons as compared with 283,894 in January last year. Previous peak total was 287,885 tons in March, 1949****Factory shipments of Canadian-made motor vehicles continued at a high level in January, the total rising to 39,204 units -- a new high for the month -- as compared with 30,738 in December and 28,527 in January last year****Output of household-electric refrigerators in 1950 totalled 346,608 units as compared with 177,854 in 1949, and shipments amounted to 344,143 as compared with 165,367****Visible supplies of Canadian wheat in store or in transit in North America on March 8 amounted to 201,175,727 bushels as compared with 205,497,423 a week earlier, and 143,369,814 on the corresponding date last year****Carloadings on Canadian railways during the week ended March 10 amounted to 74,882 cars as compared with 71,189 in the same week last year, an increase of five per cent****Department store sales rose 12 per cent during the week ending March 10 as compared with the same week last year, according to preliminary figures****Canada's commercial fruit crop declined in value in 1950 for the third successive year, the preliminary estimate for the year amounting to \$40,877,000 as compared with \$43,152,000 in 1949****Production of electric energy by central electric stations reached a new all-time monthly peak in January this year, exceeding by two per cent the previous high recorded in December, and was 17 per cent above January last year. All-Canada output for the month amounted to 4,783,142,000 kilowatt hours as compared with 4,672,785,000 in December and 4,080,989,000 in January last year****Foreign vehicles entering Canada on traveller's vehicle permits in February totalled 38,934, showing a slight decline from last year's February figure of 39,006****Expenditures by Canadians on motion picture theatre entertainment in 1949 -- including Newfoundland for the first time -- reached a record total of \$91,176,568, an increase of nine per cent over the preceding year's figure of \$83,283,436.



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WEEK'S EVENTS IN REVIEW

DEFENCE COSTS ABOUT \$1,700,000,000: The total of the Government's main estimates for the new fiscal year 1951-52, including the forecast of expenditures already authorized by statute, is \$3,586,915,657. This compares with a total of all appropriations so far provided this year (including statutory items) of \$2,728,555,412, the Minister of Finance, Mr. Abbott, announced concurrently with the tabling of the figures in the House of Commons on March 12.

There is included in the estimates for the new fiscal year a total of \$1,600 million for the Department of National Defence itself, said the Minister's statement. This includes amounts for civil defence, transfers of equipment and the provision of services to allied governments and their forces, and the cost of capital facilities for producing certain items, mainly aircraft and ships, already provided for in the defence programme. This total compares with a total of \$762,617,416 in the current fiscal year, including the \$195 million odd for transfers to allied forces. The increase, therefore, under National Defence is \$837,382,584.

In the estimates for the new year there is also provided \$64,212,001 for the new Department of Defence Production and the Crown Companies for which that Minister will be responsible. This compares with estimates for the same purposes but provided under other Departments for the current fiscal year of \$7,966,048, making an increase for the new

year of \$56,245,953. The total for the new year includes \$50,000,000 for capital assistance in the creation of production facilities over and above that provided for under Department of National Defence votes. The total then of these two departments devoted wholly to defence is \$1,664,212,001 in the new year, compared with \$770,583,464 in the current year, making an increase in the new year of \$893,628,537.

For its purposes the North Atlantic Treaty Organization has adopted a definition of expenditures for defence purposes that includes certain items in the appropriations of departments other than National Defence and Defence Production, and which excludes expenditure on civil defence. The total included in the estimates for the new fiscal year on this NATO basis is \$1,700 million, compared with \$881 million included in the estimates for the current fiscal year (i.e., an increase for the new year of \$819 million). These more comprehensive totals used for NATO purposes include such items as expenditures on the atomic energy project, survey work carried on by the Department of Mines and Technical Surveys for defence purposes, and airports operated primarily for defence purposes by the Transport Department, as well as other items.

The defence figures being used in the estimates and this statement are figures for the charges to appropriations, rather than actual cash disbursements.

IRON ORE IN HASTINGS COUNTY: Addressing the Mining Day Banquet, Prospectors and Developers Association, in Toronto on March 7, the Minister of Mines and Technical Surveys, Mr. Prudham, outlined, among other items of mining development, the location of iron ore deposits in Hastings County, Ontario, by airborne magnetometer. He continued:

"Action came fast as soon as the Department published its maps. Within two weeks representatives of Bethlehem Steel, second largest steelmaking concern in the world, had taken options on 400 acres of land, two miles east of the town of Marmora. Since last May, this one company has completed 20 drill holes, ranging from 500 to 1,900 feet in depth.

"Already many millions of tons of iron ore have been proved, hidden under 100 feet of limestone. It is expected that mining of the ore will not be long delayed."

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MR. MACMILLAN'S APPOINTMENT: Mr. H. R. MacMillan, C.B.E., prominent Canadian industrialist, has been named Canadian Representative on the Defence Production Board of the North Atlantic Treaty Organization in London, the Minister of Trade and Commerce, Mr. Howe, has announced. As the main function of the Defence Production Board is to seek better co-ordination of the production programmes of the North Atlantic Treaty members, Mr. MacMillan's task will be to fit Canadian plans into the overall objectives of the organization.

Mr. MacMillan was Assistant Director of the Canadian Munitions Board in World War I, and held several important positions in the Department of Munitions and Supply in World War II, including Timber Controller, Chairman of the Wartime Requirements Board, member of the Wartime Production Board, and President of the Wartime Shipbuilding Limited, a Crown corporation responsible for the construction of cargo ships.

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BUENOS AIRES SOCIAL SECURITY CONFERENCE: The Minister of Labour, Mr. Gregg, announced on March 9 that Col. J. G. Bisson, Chief Commissioner of the Unemployment Insurance Commission, has been selected to represent Canada at the Inter-American Conference on Social Security, meeting in Buenos Aires, Argentina, from March 12, to 31, 1951. Colonel Bisson will be assisted by L. Roy, First Secretary of the Canadian Embassy in Buenos Aires.

The Inter-American Conference on Social Security has been called to study the objectives for social security in the Americas, and systems of collection, inspection services and control of payment of contributions, and co-ordination of medical benefits in sickness and disability insurance, and encouragement of rehabilitation measures.

DR. SARGENT'S APPOINTMENT: Dr. Bernice Weldon Sargent has been appointed Assistant Director at the Atomic Energy Project at Chalk River to succeed Dr. W. H. Watson who last year was appointed Head of the Physics Department at the University of Toronto.

Dr. Sargent's appointment in charge of the Physics Subdivision is parallel to those of Dr. Andre J. Cipriani in charge of the Biology and Radiation Hazard Control Subdivision and Dr. George C. Laurence in charge of the Chemistry and Engineering Subdivision which is specially concerned with planning the proposed new heavy water reactor, construction of which was recently announced.

* * * *

CURRENT EMPLOYMENT: The release of large numbers of workers from seasonal jobs had slackened by February and little overall change in the number of persons unemployed was indicated during the first half of the month, the Minister of Labour, Mr. Gregg, announced on March 9. At February 15, there were 303,000 applications for employment on file in National Employment Service offices. This was about 3,000 more than the total at the first of the month and 75,000 less than the figure at February 15 last year.

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FARM PRICES MOVE UP: Farm prices of agricultural products rose to higher levels in January, according to the monthly index compiled by the Bureau of Statistics. The figure for January, on the base 1935-39=100, was 261.6 as compared with the revised December index of 256.0 and 241.5 for January last year. The all-time monthly peak index was 265.1 reached in July, 1950.

Increases in the initial prices paid to western producers for wheat, oats and barley have resulted in substantial upward revisions in the index of farm prices for the five months from August to December. As a consequence of these price changes the annual average index for 1950 has also been revised upward and now stands at the all-time high of 253.4, one point above the previous peak of 252.4 in 1948.

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COST-OF-LIVING INDEX: Cost-of-living indexes for the eight regional cities moved closely with the national index between January 2 and February 1. Increases ranged from 2.1 points in Halifax to 3.2 points in Vancouver. In percentage terms these increases are equivalent to 1.3 per cent and 1.9 per cent, respectively. Increases for food, clothing and home furnishings accounted for most of the increases recorded for each city. The fuel and light indexes remained mostly unchanged while all miscellaneous series were slightly higher.

MUST NOT ALLOW COMMUNISM TO OVERRUN ASIA

MR. ST. LAURENT AT WESTERN U.: The Prime Minister, Mr. St. Laurent, spoke at the Special Convocation at the University of Western Ontario on March 7, touching on the role of the University in world affairs, the problem presented by Asia and the Colombo Plan as a factor contributing to its solution, and the objective of the North Atlantic Treaty nations to deter aggression.

Of the role of the University, he said:

"The need to increase understanding and co-operation amongst the peoples of the world, to interpret nations to each other is obvious. It certainly is the aim and need of all peace-loving peoples. To achieve a greater measure of mutual tolerance, even if it is only on the basis of 'live and let live' is the prime task of world statesmanship. But it is a task which should occupy the attention not only of those who are in public life. The Universities, whose purpose is to seek after truth and to interpret the past to each new generation, have an important part to play in this task of teaching peoples to live with each other...."

Respecting Asia, he said in part:

"If we are to win the struggle to preserve even our own freedom we must not allow Communism to overrun the whole continent of Asia. To avoid that, we need the active sympathy of Asian peoples and we are not likely to have it unless they can be convinced that the friendship of the West is of greater advantage to them than anything they can expect from the Communist alternative...."

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ARMS FOR BELGIUM: Thousands of tons of Canadian military stores, equipment and vehicles -- enough to equip a division -- will be on the way from Maritime ports to Belgium within the next two weeks, the Minister of National Defence, Mr. Claxton, announced on March 8.

First announcement of the impending shipment was made by the Minister in the House of Commons February 8. A similar shipment was delivered to the Netherlands last December. Arrangements also are being completed for the delivery of 24, 25-pounder guns to Luxembourg.

Four ships will transport the supplies to Europe. Loading the many anti-tank guns, self-propelled guns, ammunition, vehicles and miscellaneous equipment will take about 10 days.

* * *

RECORD CRUDE PETROLEUM PRODUCTION: Canadian production of crude petroleum and natural gasoline reached an all-time peak in 1950, increasing more than a third over the previous high annual total in 1949. Alberta's output rose 36 percent during the year and production in Saskatchewan and the Northwest Territories also advanced.

"....We have no desire to impose our type of civilization on the people of the East. It probably would not suit them anyway. Their own civilizations are older than ours and there is much we have to learn from them. All we want to do is convince them that neither of us has any valid grounds to look down upon the other and that just as we accept them as our equals we want them to accept us as their equals; and to build up genuine co-operation with them on that basis...."

And of the Colombo Plan, he said in part:

"We already have made a beginning in providing assistance to the people in this area of the world. The Colombo Plan drawn up by the Governments of many of the countries concerned and by most Commonwealth nations is an imaginative step, but it is only a first step in the right direction. Under this scheme the nations who will benefit are to contribute largely from their own resources, but lands like Canada, Australia and the United Kingdom, which are more fully developed materially, have also agreed to assist in economic development and in the provision of technical assistance. Of course, the success of the Colombo Plan depends upon adequate participation by the United States. The prospects for such participation are reasonably good. Our Government is accordingly going to propose to Parliament that the sum of \$25,000,000 be provided this year for the Colombo Plan on the understanding that there is also effective participation by enough others to assure for the Plan, reasonable prospects of success...."

The all-Canada output in 1950 amounted to 29,058,067 barrels as compared with 21,464,322 in the preceding year. Production in Alberta was 27,580,680 barrels as compared with 20,246,392, Saskatchewan 1,022,408 barrels against 782,188, Ontario 248,623 barrels against 260,670, Northwest Territories 189,472 barrels against 155,528, and New Brunswick 16,884 barrels against 19,544.

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MAY RE-ENGAGE IN ACTIVE FORCE: All officers and men enrolled in the Canadian Army Special Force will shortly be given the opportunity to re-engage in the Canadian Army Active Force, the Minister of National Defence, Mr. Claxton, has announced.

Original terms of service for these men who left civilian life to enlist in the CASF were for 18 months or longer if required. A two-week period, from March 14 to March 28, has been set aside for the preparation of applications except for those troops already in Korea or in transit at the time.

Officers specially enrolled in the Special Force may apply for either regular or short-term commissions.

(Continued from p. 1)

DEFENCE COSTS ABOUT \$1,700,000,000

The total of the estimates for the new fiscal year for departments other than National Defence and Defence Production is \$1,922,703,656. This compares with a total for the current year on the same basis of \$1,957,971,948. Thus the total for other than defence departments shows a reduction of \$35,268,292. The figures on the NATO quoted above make clear, of course, that the estimates for these other departments do include some items which are accepted as being expenditures primarily for defence purposes. This is particularly true now for the expenditures on the new plutonium pile at Chalk River, which it will be noted is included under the Research Council and the Atomic Energy Control Board in an amount of \$7 million. In addition to these, however, there are certain activities which are being increased for defence purposes, broadly speaking, even though they may not be classified in that way for the North Atlantic Treaty purposes. The most substantial case of this kind is expenditures for the R.C.M.P., the estimates for which for the new year are increased by something like \$5 million over those for the current year.

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QUEEN JULIANA'S GIFT: His Excellency the Governor General, on March 14, presided over the unveiling of the masterpiece "The Two Water-mills" of the Dutch artist Meindert Hobbema, which was presented to Canada by The Netherlands in commemoration of Canada's part in its liberation.

The actual unveiling was performed by General H.D.G. Crerar, who commanded the Canadian Army of liberation. The Netherlands Ambassador also took part in the ceremony in the presence of the Prime Minister, Members of the Cabinet and of the two Houses of Parliament, the Chiefs of Staff, officers of the armed forces who participated in the liberation of The Netherlands, representatives of the Canadian Legion and other veterans' organizations.

The painting, which has been a national treasure of The Netherlands, was presented by Her Majesty Queen Juliana to the Canadian Ambassador on July 4, 1950. It will be placed in the Parliament Buildings in accordance with the desire of the Netherlands Government.

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TRANSPORTATION REPORT: The Royal Commission on Transportation has recommended a new national transportation policy of co-ordinating all federally-controlled carriers, and a new deal in rail freight rates through Canada-wide equalization with the aid of a \$7,000,000-a-year subsidy. The 200,000 word report was tabled in the House of Commons on March 15. More details will be reported in the next Bulletin.

WORLD WHEAT SUPPLIES: Wheat supplies remaining on or about February 1 in the four major wheat exporting countries -- United States, Canada, Australia and Argentina -- for export and carryover at the end of their respective crop years amounted to 1,102,000,000 bushels, an increase of about 12 per cent over last year's corresponding total of 985,000,000 bushels, according to the wheat review issued by the Bureau of Statistics.

Supplies this year (in millions of bushels) were as follows, with last year's figures in brackets: United States, 577 (531); Canada, 315 (218); Australia, 124 (145); and Argentina, 86 (91). Significant proportions of current supplies in Canada and Australia consist of low grade wheat.

Despite somewhat larger exportable supplies it is probable that world trade in wheat and wheat flour during 1950-51 may be slightly less than in 1949-50. Requirements, however, are somewhat higher than anticipated earlier in the season largely as a result of the unsettled international situation and the drought in India.

Transportation difficulties have so far retarded movement from North America, and Southern Hemisphere supplies are somewhat smaller than in 1949-50. On the other hand, an increased rate of export is anticipated over the next few months. Canada and the United States have both sold large quantities of wheat and flour for future delivery and January clearances were well in excess of December shipments.

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CONSUL GENERAL IN BOSTON: The Department of External Affairs announced on March 15 the appointment of Mr. J.A. Strong as Consul General in Boston.

Mr. Strong was born at Corrie, Ontario, March 26, 1901. He was educated at Harriston Collegiate, Harriston, Ontario, and graduated from Queen's University, (B. Comm).

Before joining the Canadian Trade Commissioner Service, he was associated with the Foreign Exchange Department of the Bank of Montreal, and wrote a daily article on foreign exchange for the Montreal Gazette.

He was appointed Junior Trade Commissioner, March 1927; promoted to Assistant Trade Commissioner and posted to Liverpool, December 1927; promoted to full rank of Trade Commissioner and posted to Panama, June 1929, where he remained until June 1935, when he was transferred to Buenos Aires. Upon the opening of the Canadian Legation in Buenos Aires, Mr. Strong became Commercial Attaché and subsequently Commercial Secretary. On September 15, 1945, he was transferred to New York City as Canadian Trade Commissioner and Consul.

Mr. Strong was named Ambassador to Peru in April 1947. He returned to Canada in 1949 and, following a period of leave, was assigned to special duties in the Department in Ottawa.

IN PARLIAMENT THIS WEEK

EXTEND FOREIGN EXCHANGE CONTROL ACT: The Minister of Finance, Mr. Abbott, in the House of Commons, on March 12, introduced a measure to provide for the continuance in force of the Foreign Exchange Control Act until 60 days after the commencement of the first Session of Parliament commencing in the year 1953.

During the course of his review of the Government's foreign exchange experience the Minister announced that it has been decided to raise to \$100 monthly the amount of United States currency which Canadian tourists could take out of Canada without a permit.

The following is an excerpt from his remarks:

"When one considers the very substantial relaxations in foreign exchange policies and procedures regarding United States dollar transactions effected during the past couple of years, and when one bears in mind the fact that virtually no restrictions have at any time been placed on exchange transactions with the sterling area, one feels entitled to regard the exchange control as substantially a stand-by instrument. At the present time we have no restrictions on current account transactions, and the Board approves the great majority of the applications it receives involving capital payment. It is the hope and expectation of the Government that it will be possible to continue these liberal arrangements; and our purpose is to continue along this path of relaxation and simplification. But, as I have already intimated to the House, we believe that there are too many uncertainties in the present world situation to warrant the abandonment of this defensive instrument. We have had too much experience of the rapidity with which our situation, and, what may be equally important, attitudes towards our situation can change to warrant us in projecting the present favourable position into the difficult years that lie immediately ahead...."

DETENTION OF CANADIAN CITIZENS: The following question and answer on the subject of the reported detention of Canadian citizens in China were recorded in the House of Commons on March 12:

Mr. Gordon Graydon (Peel): May I direct a question to the Secretary of State for External Affairs, based upon press reports appearing

today with respect to the arrest of Canadian citizens and other repressive treatment which seems to have been accorded citizens of this country in Red China? Can the Minister tell us whether he has any late reports dealing with the subject of Canadian citizens still in Red China, and whether it is possible for Canadian citizens to leave that country freely for Canada if they so desire?

The Secretary of State for External Affairs, Mr. Pearson: We have had information in my Department through the United Kingdom authorities in Peking, which information has been transmitted to us through London, and also information from other sources, that certain Canadians have been detained by the Government in Peking. We have asked the United Kingdom authorities in China to look into the cases that have been brought to our attention and to do everything they can to afford those Canadians protection. Since we ourselves have no diplomatic representation in China, on this occasion we are dependent upon the good offices of the United Kingdom diplomatic service; and, as always, they are only too anxious to help, as I hope we would help if the circumstances were reversed.

On the general question of the position of Canadians in China, I would not like to say anything at this moment without more consideration; but I can tell the hon. member for Peel that Canadians are leaving China at the present time. Delays have been put in their way but of those who wish to return to Canada some are getting out of China. I may be able to give him more particulars on that aspect of the matter shortly.

UNITED NATIONS: The following question and answer in the House of Commons on March 9 were recorded in Hansard.

Mr. G.F. Higgins (St. John's East): I should like to ask the Secretary of State for External Affairs if he can inform the House whether Russia is leaving the United Nations and setting up a rival organization?

The Secretary of State for External Affairs, Mr. Pearson: I have no information on the matter, I have read in the press certain reports and predictions to that effect, but there is no evidence that I know of to confirm them.

NATIONAL NOTES

The first 1,000 bottles of blood plasma for the armed forces were presented on March 15 to the Minister of National Defence, Mr. Claxton, by the Canadian Red Cross Society. The gift of blood donors from all parts of Canada, the plasma was the first instalment under the recent agreement between the Red Cross and the Department of National Defence and was delivered from the National Headquarters of the Society in Toronto to Ottawa by members of the National Blood Transfusion Service.

A current operating deficit of nearly \$1,000,000 was reported to the Newfoundland Legislature this week. Premier Joseph Smallwood announced revenue of \$23,475,866 against current expenditures of \$24,373,584 for the 11 months ending February 28.

Opening dates for the primary canals on the St. Lawrence river - Great Lakes route, ice and weather conditions permitting, are announced as follows: The Welland canals are scheduled to open on April 2; the Lachine, Soulange, Cornwall and Williamsburg canals on April 21; the opening of the Sault Ste. Marie canal is delayed this year until April 23 to permit completion of reconditioning the dam.

In the effort to reduce and avoid accidents within the three branches of the armed services, 30 officers of the Army, Navy and Air Force have been enrolled at the University of Toronto for a special course in accident prevention.

Refuelled and fully provisioned, HMCS Ontario left Pearl Harbour naval base Tuesday, March 6, and started on the second leg of her current spring training cruise to Australia and New Zealand.

Brigadier George Kitching, CBE, DSO, CD, 40, presently serving as Director General of Army Personnel, has been appointed Commandant of the Canadian Army Staff College at Kingston, Ontario.

Colonel Michael L. Brennan, OBE, 46, of Ottawa present Chief of Staff, Central Command, has been named to succeed Brig. George Kitching, CBE, DSO, CD, as Director General of Army Personnel at Army Headquarters.

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NATIONAL STATISTICS

Visible supplies of Canadian wheat in store or in transit in North America on February 25 amounted to 207,800,528 bushels as compared with 211,567,052 a week earlier, and 148,818,187 on the same date last year, the Bureau of Statistics has announced****Cheques cashed against individual accounts reached \$9,001,541,000 in January this year -- a new peak for the month -- as compared with the previous high of \$7,307,022,000 in January, 1950****Gross value of products turned out by manufacturers of asbestos goods in Canada in 1949 amounted to \$10,343,009, an increase of 28 per cent over the 1948 total of \$8,079,823****The total number of telephones in use in Canada in 1949 was 2,699,612, a gain of 10 per cent over 1948, and an increase of 93 per cent over 1939****Department store sales increased 16 per cent in February over the same month last year, according to preliminary figures****Revenue freight carried by Canadian railways in November reached a near record for the month of 13,797,334 tons as compared with 12,853,169 a year earlier, and compares with the peak of 14,565,078 tons in November, 1948****Canadians consumed slightly less meat on the average last year than in 1949 but per capita consumption was still well above pre-war. Figures issued by the Bureau of Statistics place last year's per capita meat consumption at 134.1 pounds as compared with 138.5 in 1949 and the five-year 1935-39 average of 118.3 pounds****Carloadings on Canadian railways during the week ending March 3 amounted to 75,660 cars, down slightly from the preceding week's total of 76,123 cars, but above last year's corresponding figure of 71,566 cars****Production of creamery butter in February this year amounted to 7,108,000 pounds, showing a decline of 17 per cent from last year's February total of 8,526,000 pounds****Stocks of creamery butter were lower on March 1, amounting to 14,879,000 pounds compared with 25,579,000 on February 1, and 36,450,000 on March 1 last year.



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WEEK'S EVENTS IN REVIEW

MR. ST. LAURENT ON PEACE HOPES: "I think all of us feel that if we can build up a structure of peace which will be secure for five years, we can reasonably count upon a long period of peace, even if it remains an uneasy peace," said the Prime Minister, Mr. St. Laurent, in addressing The Royal Architectural Institute of Canada at Quebec City, on March 3.

Touching upon world problems, Mr. St. Laurent noted that in Asia there was a strong impulse in every nation towards freedom and independence and an increased consciousness of a low standard of material existence.

If the free nations wanted the co-operation of the Asian nations in establishing a peaceful world, he said, "we in the West must recognize the wholly natural desire of the Eastern nations for self-government and a recognition of equality with other nations. We must also help the Asian people to overcome their widespread poverty."

The following is an additional excerpt from the Prime Minister's address:

"The building up of this strength of the North Atlantic Treaty nations is the immediate task. But we should not forget that this is only the first stage in the raising of the

edifice of lasting peace. Let us, by all means, achieve as quickly as we can the position where the North Atlantic nations are so strong that no aggressor will be apt to attack because he will have no real prospect of success. But when we have achieved that situation we do not want to stop there. I don't think many of us would consider we had built a satisfactory structure of peace if it involved the indefinite division of the world into two armed camps separated by an iron curtain.

"We have at the same time to work to convince the people behind the iron curtain that, unless they attack us, they have nothing to fear from us. We shall have to find the means to persuade them that we really want peace and that all of us, on both sides of the iron curtain, would be happier if we could devote our energies to construction instead of preparations for mutual destruction. That is going to take time and patience and resolution and persistence; but it is the only hope of attaining a really peaceful world in the long run. Meanwhile, we shall have to build up and keep up our strength so that the prospects of successful aggression against us remain too poor to be attractive to the Communist leaders...."

MR. HOWE'S CHICAGO ADDRESS: The Minister of Trade and Commerce, Mr. Howe, on February 27, delivered to the Commercial Club of Chicago an address in which he said that, after reading current magazine and newspaper articles about Canada's war effort, and after talking to some of his friends in the United States, it seemed clear to him that a Canadian speaking to his American friends should talk frankly and fully about Canada's part in the defence of the free world.

He then continued:

"Some of you may think that we Canadians are touchy, too ready to resent the suggestion that we are doing less than our duty in this time of peril. That may be so, but I doubt it. What I am concerned about is that any American friends should have a clear explanation of the Canadian position, including a statement of what we are doing. If the facts are fully known there will be less room for misunderstanding or for misrepresentation.

FOUNDED ON MUTUAL RESPECT

"We Canadians believe that the good relations between our two countries are founded on independence and mutual respect. We do not expect the United States to carry our burdens, even though it has twelve times the population and eighteen times the productive strength. Your country has made generous gifts and long-term loans to most countries of the world, but never to Canada. Canada has never asked you for other than occasional short-term accommodation and Canada would never have accepted your gifts even had they been offered to us. In fact we have, out of our more limited wealth, made our own gifts and loans to less fortunate countries during the post-war period.

"So it is in this present period of emergency. We expect to carry a fair share of the sacrifices and costs of collective defence. On a per capita basis we shall probably carry more than many of our allies...."

"Canada's aims and objectives in the present emergency are similar to those of the American people. We believe that the next eighteen months constitute the period of greatest danger to the free world. We believe that war is not inevitable, but we believe that every effort must be put forth to arm with all speed as the only possible means of preventing war. We believe with you that the aggression in the Far East must be resisted until an honourable settlement can be brought about, but we believe that the greatest menace to North America lies in Europe...."

After outlining Canada's preparedness effort the Minister said:

"I should perhaps touch on the chief source of criticism of Canada which is that we do not have a system of compulsory military service. That is true, but that does not mean that we are holding back in our preparedness effort. Quite the contrary. In the opinion of the Canadian Government, Canada's defence effort

would be weakened instead of strengthened by an attempt to introduce conscription at the present time. All I ask you to remember is that, when in the past the need arose for men to fight for freedom, Canada was not found wanting, either in quality or in quantity...."

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AERIAL AMBULANCES: An aerial ambulance service to fly Canadian Army wounded from McChord Field, near Tacoma, Wash., to hospitals across Canada is being set up by the R.C.A.F., it was announced on March 2 by National Defence Headquarters.

The service, under control of R.C.A.F. Air Transport Command, will be ready to operate within several days. There is no immediate indication when casualties will begin arriving back from the Korean front.

The ambulance lift will be handled initially by Dakota aircraft of the R.C.A.F.'s 435 Transport Squadron, Edmonton, which have been fitted with special oxygen systems and with litters and litter holders. All normal hospital facilities will be available aboard the aircraft, and R.C.A.F. flight nurses and flight medical assistants will accompany the medical planes. Number of aircraft to be employed on the lift will depend on requirements.

Department of Veterans Affairs hospitals will accommodate most of the wounded being flown back. As far as feasible, wounded will be hospitalized at points near their homes.

A nursing sister and a flight medical assistant will fly with each Dakota, which will carry a maximum of 14 wounded. The aircraft will head east from McChord, putting down to drop wounded at points along the way. Where overnight stops are necessary patients will be accommodated at one of the DVA hospitals, and will be taken aboard the aircraft the following day to continue the flight eastward.

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BORDER AIR CROSSINGS SIMPLIFIED: The Chairman of the Air Transport Board announced on February 28 simplified arrangements for pilots of private and non-scheduled Canadian aircraft wishing to enter the United States from Canada. The arrangements have been worked out between the Department of Transport and the U.S. Civil Aeronautics Administration.

Instead of having to separately notify United States Customs and United States Immigration authorities, a pilot now will merely file a flight plan with a Department of Transport air traffic control unit. The Department of Transport has agreed to transmit it to the Civil Aeronautics Administration communications station nearest the airport of entry. The Civil Aeronautics Administration then will notify United States Customs service as to the expected arrival. Customs in turn will notify the other United States governmental agencies concerned. There will be no charge to the pilot for these notification services.

IN PARLIAMENT THIS WEEK

EMERGENCY POWERS ACT PASSED: The Emergency Powers Act was given third reading on division in the House of Commons on March 6. The following are excerpts from the concluding remarks of the Prime Minister, Mr. St. Laurent, at that time:

"....Some hon. members seem to believe that price controls at this time would cure the situation. I do not think they would. I do not think it would be healthy for a democratic government to give the impression that it was going to put into effect a series of restrictions on the freedom of the citizens, unless it also coupled that with the assertion it believed it was something that was going to work and which would, in the end, prove to be beneficial to the welfare of the community...."

"....I would not want anyone to take it that I am indicating that the Government is unlikely to impose controls unless and until we are in something approaching all-out war. We will, just as quickly as we can find reasonable grounds to believe in the efficiency of any or all controls, not hesitate to use the powers provided by this bill, if and when it receives the assent of the two Houses of Parliament and of the representative of His Majesty."

WHEAT POOL SETTLEMENT: The Prime Minister, Mr. St. Laurent, made the following statement in the House of Commons on March 2 regarding the final settlement of the five-year wheat pool:

"As the House is aware, there have been discussions with the United Kingdom Government on several occasions concerning article 2(b) of the wheat agreement entered into in 1946--

RECORD SECURITY SALES: Net sales of securities by Canada to other countries rose in 1950 to all-time peak levels as a result of the exceptionally heavy sales to the United States, which were concentrated in the months of August and September. While the inflow of capital from the United States was the most conspicuous feature of the year's dealings, there was an appreciable increase in net purchases from the United Kingdom.

Net sales to all countries in the year amounted to \$238,400,000 as against the comparatively small total of \$6,500,000 in 1949. Previous peak figure for a year was \$191,000,000 in 1945. Net sales to the United States totalled \$255,700,000 compared to the small total of \$16,000,000 in 1949 and the earlier peak of \$222,100,000 in 1945. Net repurchases from the United Kingdom amounted to \$22,800,000 against \$10,800,000 in 1949.

the so-called 'have regard to' clause. The United Kingdom Government has made it clear that no further payment will be made by them under that agreement. Hon. members may also have seen an announcement by the Chancellor of the Exchequer on February 20 that the United Kingdom will not draw further on the remainder of the credit of \$1,250 million which was made available in May, 1946, and which expires on December 31, 1951.

"The Government has decided to recommend to Parliament that an amount equal to the balance of the United Kingdom credit, namely, \$65 million, be added to the sums now awaiting distribution in settlement of the five-year pool. The amount will be included in the final supplementary estimates for the fiscal year 1950-51 which are shortly to be placed before the House for approval.

"The contribution we will be asking Parliament to make is the equivalent of about 23 cents per bushel on the deliveries made during the last two years of the agreement to which article 2(b) had reference. The addition of \$65 million to the pool would make a total of approximately \$120 million for distribution. On the basis of deliveries of 1,428 million bushels during the period of the five-year pool, this would provide a final payment of about 8.3 cents per bushel. Final payments will be made as soon as possible after Parliament has dealt with the supplementary estimates."

EASTER ADJOURNMENT: On motion of the Prime Minister, Mr. St. Laurent, the house of Commons decided on February 5 on an Easter adjournment from Wednesday, March 21, until Monday, April 2.

CANADA AT PARIS IHO MEETING: Andrew Thomson, Dominion Meteorologist and Controller of the Meteorological Division of the Department of Transport, and Dr. John Patterson, former Dominion Meteorologist, will represent Canada at the important meetings of the International Meteorological Organization and the World Meteorological Organization in Paris, commencing March 15. Announcement to this effect was made on March 7, by the Minister of Transport, Mr. Chevrier. The Canadian Delegates leave on March 10 and will be joined by D.G. Stoner of the Canadian Embassy in Paris.

The International Meteorological Organization dates back to 1873 although it was not until 1878 that its constitution was adopted by the 40 countries represented. This organization will hold its closing meeting to enable the formation of the new World Meteorological Organization which comes within the United Nations set-up.

NATIONAL NOTES

Official Casualty List No. 1, from the Korean Theatre, was issued on March 2 by the Department of National Defence. It contained the names of five killed in action, one died of wounds, 10 wounded, and four injured in battle accident.

Four new scholarships, each valued at \$580, will be awarded to first-year cadets at the Canadian Services Colleges by the Ontario Canteen Fund, the Minister of National Defence, Mr. Claxton, has announced.

Canada's national parks set new attendance records during 1950; when visitors numbered 1,753,043 for the nine-month period ending December 31. In addition, the national historic parks had 147,300 visitors, making the overall attendance total 1,900,343, or 106,941 more than the comparable figure in 1949.

Scientific instruments for many types of work extending from the laboratory to the industrial plant will be one of the features of the 1951 Canadian International Trade Fair, to be held from May 28 to June 8. Already, in the section devoted to Medical Equipment, Scientific and Optical Instruments more than 3,000 square feet has been booked by firms in four countries.

In the Ontario Legislature, on March 6, Premier Frost brought down a Budget showing a surplus for 1950-51 of \$1,276,000 and forecast a surplus for 1951-52 of \$598,000. No new taxes were presented.

A submarine of the Royal Navy, HMS Thule, will be loaned to the Royal Canadian Navy this year for anti-submarine training purposes in accordance with a long standing arrangement with the British Admiralty.

SHIPMENTS TO U.S. UP 43 P.C.: Canada's total domestic exports during January were substantially higher in value than a year ago and -- contrary to the customary trend -- only slightly down from the high levels of the closing months of the previous year.

Domestic exports to all countries in the month were valued at \$285,100,000, an increase of 29 per cent over \$221,200,000 for January a year ago.

January shipments to the United States increased nearly 43 per cent to \$186,948,000 from \$130,859,000 in January, 1950. The total was down only moderately from last December's value of \$191,500,000 and compares with a monthly average of \$168,400,000 in 1950.

NATIONAL STATISTICS: Operating revenues of Canadian railways in November reached a new high for the month at \$89,864,918, an increase of 14 per cent over November, 1949.... The cost-of-living index for Canada rose from 172.5 to 175.2 between January 2 and February 1, 1951, the increase being largely due to higher prices for foods, clothing and home-furnishings.... Wholesale prices of industrial materials were firmer again in February and the Bureau's composite index for 30 commodities moved up to 212.3 for the week of February 23 from 207.3 for January 26.... Department store sales rose 21 per cent during the week ending February 24 as compared with the corresponding week last year, according to preliminary figures.... There were more cattle, sheep and lambs but fewer horses on Canadian farms on December 1, 1950, than on the corresponding date in 1949, according to estimates by the Bureau of Statistics. These estimates are based on farmers' replies to the annual December survey taken in co-operation with Provincial Government Departments. Visible supplies of Canadian wheat in North America on February 15 this year amounted to 211,567,052 bushels as compared with 215,853,245 a week earlier, and 149,409,838 on the corresponding date last year, according to the Bureau of Statistics.... The Bureau of Statistics has released a reference paper which introduces the fourth Canadian series of general wholesale price index numbers. The Bureau's general reference period is now 1935-39 instead of 1926 and wholesale price index numbers accordingly have been re-worked with new weights representative of marketing data for those years.... Carloadings on Canadian railways for the week ended February 24 totalled 76,156 cars as compared with 73,718 in the preceding week, and 70,037 in the same week of 1950.... Canadian production of wheat flour in January increased to 1,073,4354 barrels compared with 1,537,955 in the same month last year, bringing total production for the first half of the current crop year to 11,733,967 barrels from 10,570,019 in the same period of 1949-50, an advance of almost 10 per cent.

TRAVEL CREDIT BALANCE \$24,000,000: With a population less than one tenth that of the United States, Canadians spent 73 per cent as much on travel in their neighbour nation in 1950 as United States travellers spent in Canada, according to the Bureau of Statistics at Ottawa. More people came to Canada for vacations but their spending was less lavish than in recent other years.

Residents of Canada spent \$222,000,000 on international travel last year, of which \$190,000,000 went to the United States, according to first estimates of travel spending for 1950. Residents of other countries spent \$275,000,000 in Canada of which \$260,000,000 or 94 per cent of the total came from United States visitors.



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WEEK'S EVENTS IN REVIEW

EXTERNAL AFFAIRS REPORT, 1950: while the year ends in crisis and disappointed hopes, that should be no reason for despair or slackening of peace effort; rather it should call forth from all Canadians the energies and sacrifices which will be needed if we are to be successful in building a world where peace will be secure, writes the Secretary of State for External Affairs, Mr. Pearson, in a foreword to the Report of the Department of External Affairs, 1950, tabled in the House of Commons this week.

The main function of the Department is the protection and advancement of Canadian interests abroad, and the paramount Canadian interest abroad is the maintenance of international peace and security, the Minister writes. He stressed, in a situation of such tragic division and danger as exists, the importance of every decision of Canada in its external relations being taken deliberately and wisely and in the fullest possible knowledge of the facts.

Reviewing international events of the last two years, the Minister notes that by the end of 1950 it was apparent that the period of greatest danger had already begun. During the Special Session of Parliament in September measures had been taken to increase Canadian defence preparations as a deterrent to aggression. The Government, he added, is now considering the steps we should take in concert with our allies to meet the even greater danger that faces us at present.

The foreword proceeds:

"It is recognized that, while the free world has to hasten and strengthen joint action to deter or meet aggression, at the same time it is important that no opportunity for genuine negotiation with the Soviet Union or with Chinese Communists should be neglected. Nor should preoccupation with military defence be allowed to obscure the cognate responsibility of co-operating with other countries in raising the standard of living in underdeveloped areas whose poverty presents an opportunity for the deceptive promises of Communist propaganda. Useful initiatives designed to improve conditions in such parts of the world have been taken this year under the auspices both of the United Nations and of the Commonwealth.

"The Commonwealth indeed has shown its vitality during the past year by providing a valuable link between the countries of the West and the countries of Asia that have recently achieved their independence. In these critical months it has been of the highest importance that there should be sympathy and mutual respect between the free peoples of Asia and the countries in the North Atlantic area even when their views did not entirely coincide. Commonwealth meetings, as well as meetings within the United Nations, have been useful for this purpose.

"The year ends in crisis and in disappointed hopes. But that should be no reason for despair or for slackening of effort. Rather it should call forth from all Canadians the energies and sacrifices which will be needed if we are to be successful in building a world where peace will be secure."

BANKS TO CUT DOWN ON LENDING

ANTI-INFLATION MOVE: The following is the text of the statement issued on February 22 by the Bank of Canada announcing a curtailment of lending by the chartered banks of Canada:

"The Bank of Canada in the course of periodic discussions of credit conditions with the chartered banks has stressed the increasing need for restraint in lending activity. At the most recent meetings in Ottawa on February 14 and in Montreal on February 22, the Bank expressed the view that further increase during 1951 in the aggregate volume of banks' loans and holdings of non-Government securities would be undesirable and should be prevented. The general managers of the chartered banks concurred that an inflationary expansion of credit is undesirable and agreed to co-operate to this end.

DEFENCE PROGRAMME

"In discussing the background to this decision, the Bank stated that some expansion of bank loans and other forms of credit had been a necessary feature of post-war reconstruction and peacetime economic progress. However, with the addition of a growing defence programme to an economy already operating under a full head of steam further increases in total credit outstanding would be likely to result in over-borrowing and to encourage the competitive bidding up of prices of the available supply of goods and services. Under conditions such as the present people tended to relax their ideas of the prudent limits of borrowing, and borrowers sought to extend their positions in various ways with less than normal regard for the risks involved for all concerned. What was now required was a definitely restrictive approach to the whole question of credit extension.

"A number of measures had already been adopted with this general objective in view. The Bank of Canada had for some time been exercising its influence to restrict the cash reserves of the banking system so as to discourage monetary expansion, and had sold short-term Government securities in substantial volume to neutralize the effects of the large inflow of capital from abroad during the latter half of 1950. Prices of securities of the kind held by the banking system had declined

to a level lower than their cost to the banks. In the field of public finance, the Government of Canada was following a pay-as-we-go policy and was at present decreasing rather than increasing the public debt. The Government had also imposed restrictions on consumer credit and had reduced the scale of Government lending in the field of mortgage credit.

"The general managers concurred that restraint in bank lending was desirable in the general public interest. In certain fields of bank lending it was possible to formulate specific working rules, and the following measures suggested by Bank of Canada have been adopted.

"(1) In general, borrowers should have recourse to non-bank sources for their capital requirements as distinct from ordinary operating loans accordingly, except in the case of small credits, the chartered banks will refrain from making term loans or purchasing corporate securities with a term of one year or longer.

MARGINS OF 50 PER CENT

"(2) Margins of at least 50% will be required in the case of loans to carry corporation stocks, that is, collateral for such loans must be equal in value to not less than twice the amount of the loan. In this connection the stock exchanges have co-operated by adopting a similar rule for loans by brokers to customers, effective February 16 and financial institutions other than banks are now following the same minimum margin requirements.

"(3) Margin requirements will be substantially increased in the case of bank loans on the security of instalment finance paper, and the total volume of bank credit for such purposes will not be increased.

"The remaining classes of bank loans and investments consist of ordinary commercial loans, mainly for the purpose of financing inventories and receivables, personal loans, and a variety of other categories. Lending practices will be tightened wherever possible in these fields, as well as in those previously mentioned, in order to achieve the desired objective of avoiding further over-all increase in the banks' total loans and non-Government investments."

INTERNATIONAL TRADE FAIR: Builders, contractors and hardware dealers will see a greater selection of tools and equipment relevant to their trades at the 1951 Canadian International Trade Fair, May 28 to June 8, than at any of the three previous Fairs. The sections of the Fair devoted both to building materials, heating and plumbing equipment and hardwares and smallwares are developing rapidly, with an extensive range of products covering almost every phase of the building and hardware trades.

The Fair itself will be larger this year, with a more comprehensive selection of products than ever before. Already firms in 20 different countries have booked roughly 147,000 square feet of space to show a wide variety of products ranging from delicate textiles to heavy industrial machinery. With applications still coming in steadily, it is expected that all of the Fair's 220,000 square feet of exhibit space will be put to good use.

PRE-FABRICATED HOUSES

A total of almost 3,000 square feet of space has already been booked in the hardware and building sections of the Fair. In addition, much of the equipment in the huge machine tools and plant equipment sections, among others, will be of interest to builders. One of the Canadian exhibits will be aluminum pre-fabricated houses and other pre-fabricated equipment, such as door frames, window sashes and similar building articles. All types of heating equipment, including stoves and furnaces, will be shown by another Canadian firm. Industrial cutlery, knives of all description, aluminum utensils, metal stampings, locks, axes, shovels and other tools are just a few of the products to be exhibited in these classifications by Canadian firms.

Builders' and contractors' plant machinery, machines for making plain or embossed concrete blocks, and brick and tile moulds are among the exhibits of a large English company. In the smallwares section the products of English firms fairly well cover the field, ranging from high grade paints through household hardware to metal stampings. A group of German firms is exhibiting under one name in the hardware category.

The Household Furnishings and Appliances sections promise to be substantially bigger and more comprehensive than ever before. This is partially the result of heavy Lutch participation for the first time in these sections, but also reflects the general picture of this year's Fair, which is expected to surpass its three predecessors by a considerable margin, both in size and scope.

The two sections of the Fair devoted to house furnishings and appliances show a total of 11,520 square feet of space taken so far. Canada leads in this group, with almost 3,500 square feet. Czechoslovakia is next, with 3,100 square feet, followed closely by the Netherlands with 3,000 square feet.

NEW COSMIC RAY OBSERVATORY: A new cosmic-ray observatory has been built and put into operation by the National Research Council at its Montreal Road property, in the eastern part of Ottawa. The building is set off by itself, with a clear view almost to the horizon in all directions. Continuous recording of cosmic-ray intensities was started in Ottawa about two years ago.

The general objective in cosmic-ray research is to find out as much as possible concerning the rays that are continuously reaching the earth from outer space. Measurements of their effects, taken on the ground, are studied in relation to geophysical phenomena such as the earth's magnetic field and meteorological changes in the atmosphere.

Geiger-Mueller counters (which have been used in recent years in prospecting for radioactive ores) are employed to detect cosmic rays. At sea level or low altitudes practically all the cosmic rays observed are secondary, being formed at very high altitudes by the impact of primary rays on the earth's atmosphere.

Some very interesting results are being obtained. On rare occasions, a sharp increase in cosmic-ray intensity has been recorded. This increase is associated with a sudden flare on the sun. It persists for a relatively short time and may disappear entirely in two or three hours. The latest of these occurred in November 1949 and was recorded on the Council's instruments at Ottawa and also at a station at Resolute in the Canadian Arctic where NRC operates cosmic-ray instruments at one of the International Weather Stations. These sudden increases in intensity have been noted only four or five times in the history of measurements on cosmic rays.

* * * *

RETAIL SALES OVER \$8 BILLION: Dollar volume of retail sales in Canada reached a new peak total of \$8,427,900,000 in 1949, according to final figures for the year released by the Bureau of Statistics. This was 7.5 per cent above the 1948 value of \$7,839,300,000. Sales were higher for all Provinces and all trades with the exception of family clothing stores and coal and wood dealers. Part of the gain in 1949 was due to the increase in the number of establishments in operation as well as to upward movement in some retail prices.

The outstanding feature of retail trade in 1949 was the increase in sales of durable goods, particularly of motor vehicles which advanced almost 24 per cent. This was accompanied by a 10 per cent gain in sales of garages and filling stations. The rapid rate of housing construction during the year accounted for a 10 per cent increase in sales of lumber and building materials retailers. Sales of appliance and radio dealers rose 18 per cent. Increases in other trades ranged from one per cent in furniture stores to eight per cent in women's clothing stores and restaurants.

10 MONTHS' BUDGETARY SURPLUS \$548.7 MILLION

REVENUES RISE SHARPLY: The Minister of Finance, Mr. Abbott, released on February 24 the statement of the Comptroller of the Treasury for the month of January and for the first ten months of the current fiscal year.

Government revenues for the month of January totalled \$332.0 million compared with \$235.9 million for January, 1950. Revenues for the first ten months of this year were \$2,380.1 million compared with \$2,072.3 million for the same period a year ago, an increase of \$307.8 million.

Expenditures for the month of January amounted to \$203.2 million compared with \$185.6 million in the month of January a year ago. The increase of \$17.6 million is more than fully accounted for by an increase of \$16.2 million in expenditures of the Department of National Defence and a special expenditure by the Department of Agriculture of \$2.1 million for the purchase of an irrigation project. Nineteen of the thirty-nine civilian departments or agencies for which expenditures are itemized showed reductions in their administrative and general expenditures.

For the first ten months of the fiscal year, expenditures totalled \$1,831.4 million compared with \$1,723.2 million in the comparable period of the previous fiscal year. If the special non-recurring charge of \$62.3

million in the 1949-50 fiscal year, due to the assumption of a portion of Newfoundland debt pursuant to the Terms of Union, is eliminated, the increase for 1950-51 over 1949-50 in \$170.5 million. This increase was much more than fully accounted for by an increase of \$151.5 million in expenditures of the Department of National Defence, by expenditures of \$14.5 million arising out of the Winnipeg flood disaster and by increases of \$10.1 million in family allowances, \$8.4 million in Old Age Pensions and \$3.3 million in the Government's contribution to the Unemployment Insurance Fund.

Revenues for the month of January exceeded expenditures by \$128.8 million compared with \$50.2 million in January 1950. The accumulated budgetary surplus for the first ten months of the current fiscal year was \$548.7 million compared with \$349.1 million at January 31, 1950.

In addition to budgetary expenditures, there were non-budgetary disbursements amounting to \$1.4 million in January 1951 and \$70.2 million in the first ten months of the fiscal year. These cash outlays for loans, advances and investments were considerably smaller than last year, the decrease for January being \$38.0 million and for the ten months of the fiscal year \$173.4 million.

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SPECIAL AMBASSADOR: The Department of External Affairs announced on February 27 that Mr. J. Scott Macdonald, Canadian Ambassador to Brazil, has been appointed Special Ambassador of Canada at the inauguration of His Excellency Andres Martinez Trueba as President of the Republic of Uruguay.

Mr. Macdonald presented his credentials on February 27 to outgoing President Luis Batlle Berres at the Government House in Montevideo. On February 28 he transmitted to President Martinez Trueba a message from the Prime Minister extending congratulations to the new head of State and friendly greetings to the people of Uruguay from the people of Canada.

The Ambassador was attended at Montevideo by Group Captain F.A. Sampson, O.B.E., Air Attaché at the Canadian Embassy in Buenos Aires.

* * * * *

EXPORTS TO US RISE \$56,000,000: A summary of foreign trade figures for January released by the Bureau of Statistics shows a rise in the value of Canada's total domestic exports to \$285,100,000 from \$221,200,000 in January, 1950, and an increase in estimated total imports to \$327,500,000 compared to \$211,900,000.

Domestic exports to the United States rose

in value to \$186,900,000 as against \$130,900,000, and to the United Kingdom declined to \$40,100,000 compared to \$48,600,000. Estimated imports from the United States amounted to \$234,100,000 as compared to \$154,500,000, and from the United Kingdom to \$34,200,000 as against \$26,100,000.

The import figures are only preliminary and therefore subject to revision. Final and detailed figures of imports will not be available for about three weeks. Those for exports will be issued in a few days.

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PETROLEUM DIVISION: The Minister of Trade and Commerce, Mr. Howe, announced on February 24 that a Petroleum Division of the Department of Trade and Commerce will be formed in connection with the defence programme.

The new division will primarily be concerned with development of the industry and will correlate plans for increasing crude oil production, refining and transportation facilities. The division will work closely with the Petroleum Administration for Defence in Washington, D.C., on problems of common interest.

Dr. O.B. Hopkins, Vice President of Imperial Oil Limited, has been loaned by Imperial Oil to take the position of Director of the Division.

SEAWAY AND ONTARIO POWER NEEDS: If the power potentialities of the St. Lawrence River are not developed, "Ontario may be obliged to place increasing dependency upon the production of electricity from steam power" which would place provincial industry "at a competitive disadvantage with Quebec and possibly British Columbia," stated the Minister of Transport, Mr. Chevrier, to the joint annual meeting of the Association of Municipal Electrical Utilities and the Ontario Municipal Electric Association in Toronto, on February 27. He added that "not only would this raise certain problems for provincial industry but would raise problems with respect to international trade which are of national concern."

Due to the illness of the Minister, the speech was read for him by Mr. W.M. Bendickson, Parliamentary Assistant to Mr. Chevrier.

Construction of the St. Lawrence Seaway and the realization of its hydro-electric power potential "would mitigate power shortages for many years to come," said the Minister. "In addition it would provide the many strategic and commercial advantages with which we have all become acquainted through the many years which have elapsed since the Seaway project was proven feasible."

Outlining the availability of hydro-power in Ontario, Mr. Chevrier said that "once present undertakings are completed there will remain but two major sources capable of economic development." These he enumerated as an additional 600,000 h.p. from Niagara Falls which "has recently been made possible by the ratification of the Canadian-American Niagara Diversion Treaty," and Ontario's share of the 2,200,000 h.p. which would be developed in the International Rapids Section when the St. Lawrence Seaway is constructed. This power would be divided equally between Ontario and the State of New York.

FAR FROM EXHAUSTION

On the other hand, the Minister said that the "potential resources of Quebec are far from exhausted" and present prospects are that "it will have cheap electric power capable of economic development for some years to come." He pointed out that Montreal alone would benefit from 1,200,000 h.p. awaiting development in the St. Lawrence River at Lachine as part of the Seaway project. He pointed out that within the last five years, British Columbia had increased power production by 50 per cent, Manitoba by 40 per cent, Alberta by 78 per cent, and Saskatchewan by 23 per cent.

After stating that the year 1951 would see the installation of nearly one million horse power throughout Canada, the Minister said that "sparked by the 600,000 h.p. Niagara development, the proposed 400,000 h.p. system of the Aluminum Company on the Peribonka, and the 330,000 h.p. of Beauharnois, the years 1952 to 1954 will provide an additional 1,500,000 h.p. Large though this amount is, it

does not include such projects as the Aluminum Company development for British Columbia which in itself would require some 1,600,000 h.p."

Mr. Chevrier gave warning, however, that "notwithstanding a most impressive expansion in power production, and an equally impressive demand for power, we are far short of a full utilization of our nation's resources." He estimated that by 1955 Canada will have developed "about one-quarter of the economically available turbine capacity, that is, approximately 15 million horse power out of 55 million. This presently unexploited margin of 40 million horse power indicates that inexpensive water power which has been such an important factor in shaping our past industrial growth will be equally, if not more, important in years to come."

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EMPLOYMENT UP OVER LAST YEAR: The Minister of Labour, Mr. Gregg, on February 26, issued the following statement on the current employment situation:

"At the beginning of February, 300,000 persons, representing 5.8 per cent of the civilian labour force, were registered with National Employment Service offices across the country. An increase of 18,000 over the two-week period since January 18 was distributed unevenly among the various regions, the greatest rise having taken place in the Pacific. Smaller increases, all of about equal size, took place in Newfoundland, Quebec and the Prairies; the least rises occurred in Ontario and the Maritimes. During the equivalent period of 1950, there was a total increase of over 30,000, with the largest occurring in the Pacific region, followed by Ontario, Quebec, the Prairies, Newfoundland and the Maritimes, in that sequence.

WEATHER PLAYS ITS PART

"This winter, as usual, the weather has played an important part in determining the volume of unemployment in most parts of Canada. In the east, unseasonal mildness and lack of snow during January hampered logging and fishing but favoured the continuation of building. In the central provinces, conditions were favourable to bush work in logging areas, and to construction in the larger centres. The western Prairies experienced extreme cold that curtailed most seasonal activities, and west coast logging was again almost completely curtailed by gales and heavy rain and snow. A further seasonal slackening in activity and employment in construction, food processing, retail trade and transportation, was only partially countered by additional hirings of manufacturing industries, especially in Ontario and Quebec. The result was an increase during January in the number of persons seeking work, although the rate of increase was lower than earlier this winter, and much below last year.

FORCES FOR EUROPE

"The current employment situation remains considerably better than at the same time a year ago. Despite the disrupting influence of weather in some sections, this year's much higher pulpwood and lumber quotas have been the chief factors in this relative improvement. Continuing construction activity and expansion in some manufacturing industries also contributed substantially to the lower level of unemployment. Military contracts stepped up hirings in the manufacture of aircraft and parts, rubber, textile and leather products, armaments, chemicals and aluminum. In addition although the proposed expansion of steel-producing facilities will not greatly increase output this year, iron and steel producers took on staff and, in some cases added shift. In the steel-using industries, concurrent hirings and lay-offs resulted in a reduced rate of expansion as slow deliveries of steel hampered production. Skilled workers, and especially machinists and toolmakers, continued in demand...."

DOCTORS FOR IMMIGRATION SERVICE: The federal Health Department, on February 23, issued an urgent call for doctors needed to give medical examinations to prospective immigrants overseas.

Doctors ready to serve for a few months or for longer terms are needed at once to cope with the greatly increasing number of applicants for entry into Canada, officials of the immigration medical division explained.

Those taking up this work for a short term of approximately three months will be paid a monthly salary, transportation to and from Canada, and travelling and living expenses while overseas. Those coming in for a longer term are given salary, travelling expenses to and from Canada, and a stated living allowance while overseas.

The overseas immigration medical staff has its headquarters in London, England, with offices in Liverpool, Glasgow, Belfast, Paris, Brussels, The Hague, Stockholm, Rome, Karlsruhe and Salzburg, with immigration teams being sent out to other centres as the work requires.

NAVY ATTACHES TO EUROPE: The Minister of National Defence, Mr. Claxton, has announced the appointment for the first time of Canadian Naval Attachés to two European capitals.

On March 1, Commander Francis J.D. Pemberton, of Victoria, and Lieut.-Cdr. E.C. St. John Green, of Canning, N.S., and Halifax, will take up the appointments, respectively, of Naval Attaché on the Staff of the Canadian Ambassador at The Hague, the Netherlands, and Naval Attaché on the Staff of the Canadian Minister of Stockholm, Sweden (who is also accredited to Finland).

Lieut.-Cdr. Green will hold the acting rank of Commander while serving as Naval Attaché at Stockholm.

MR. ST. LAURENT'S STATEMENT: Speaking to the National Liberal Federation Advisory Council in Ottawa on February 28, the Prime Minister, Mr. St. Laurent, said that the Government intends to propose to Parliament that Canada send armed forces, both from the Army and the RCAF, to form part of General Eisenhower's integrated force in Europe.

FOREIGN EXCHANGE BOARD ORDER: The Foreign Exchange Control Board has issued a notice to Canadian security dealers which has the effect of broadening and simplifying the rules governing exchanges of securities in Canada by non-residents and in the United States by residents of Canada, the Minister of Finance has announced.

In future a non-resident will be able to exchange in Canada Canadian corporation securities for Canadian government domestic securities other than those due or callable within three years. Formerly, a non-resident could exchange Canadian corporation securities only for securities in the non-government classification.

Similarly, a Canadian resident may now acquire a wide range of Canadian securities or readily marketable U.S. securities with the proceeds of sale in the United States of Canadian Government domestic securities other than those due or callable within three years. Formerly, the proceeds of such a sale could be invested in the United States only in securities of the same category.

MAGNIFICENT TO CARIBBEAN: The aircraft carrier H.M.C.S. Magnificent, now exercising her air squadrons in Bermuda waters, will return to Halifax March 9, and 10 days later will sail on a five-week spring training cruise to the Caribbean, Naval Headquarters announced on February 28. She will be accompanied by the Tribal Class destroyer H.M.C.S. Micmac.

Embarked in the Magnificent for the spring cruise will be the 18th Carrier Air Group, comprising a squadron of Avenger anti-submarine aircraft and a squadron of Sea Fury fighters.

The cruise ports of call and dates are as follows: Bermuda, March 23-28; Port of Spain, Trinidad, April 6-9; Barbados, April 13-16; Boston, April 23-27, returning to Halifax April 28.

GOLD PRODUCTION HIGHER: Canada's gold production in the full year 1950 amounted to 4,448,396 fine ounces, an increase of eight per cent over the preceding year's total of 4,123,518 fine ounces. This was the highest annual output since 1942 when 4,841,306 fine ounces were produced.

SEEK ALTERNATIVE TO OVERALL PRICE FREEZE

MR. HOWE ON PRICE CONTROLS: The Minister of Trade and Commerce, Mr. Howe, spoke on, "Preparedness And The Canadian Economy," at a joint meeting of the Empire Club and Canadian Club of Toronto on February 26.

The purpose of preparedness for Canada and for other countries of the free world, he said, was not war but an effort to prevent all-out war. Economic preparedness was much more than defence production in the usual sense.

Mr. Howe reviewed in some detail Canada's growing preparedness efforts and stated that in 1950 Canada had placed contracts valued at 629 million dollars. In the fourth quarter of the year the rate of placing contracts was six times as high as in the first quarter. From information now available it was clear that the rate of awarding contracts would be still higher in the first quarter of the present year.

ST. LAWRENCE SEAWAY

After stating his conclusion that the development of the St. Lawrence Seaway was a "must" as part of effective mobilization of North American resources for defence, he made an extended statement on the question of price controls. This statement read, in part, as follows:

"It seems to me that many of those who are now advocating price control think that such controls can keep the Canadian standard of living from being affected by the defence effort. Whatever price controls may do, they cannot reduce the real costs of defence. There is no painless way of meeting these costs that the Government has been able to discover. If we had found such a way, we should undoubtedly have adopted it without delay.

"The Government has received a number of requests from various organizations that price control be imposed immediately. So far, there has nearly always been a suggestion that the particular product which the particular group is itself concerned with be not controlled until certain adjustments have been made to bring prices of that particular product to a fair level. Obviously, to adjust all prices to a fair level before imposing price control is an impossible task. Those of us who had experience with price control during the last war know that unfairness is inherent in any overall control, and that all that those administering the control can hope to do is to remedy the unfairness before it reaches the breaking point.

"My own experience leads me to believe that the Canadian people will not stand for the regimentation by controls administered by the

vast bureaucracy required for the purpose except under conditions of all-out war. It seems to me that some better system of accomplishing the purpose can be devised other than an overall price freeze, and my officers are analyzing various alternatives with that thought in mind.

"The Canadian Government has never been opposed to price controls as such. In fact, legislation is now under discussion in Parliament which would give the Government power to impose economic controls of all kinds as the need may arise.

"We will not impose any system of price controls, however, unless and until we are satisfied that those controls will serve a helpful and not a harmful purpose in combating inflation. It may seem strange to speak about price controls as having a harmful effect in the fight against inflation but that can easily happen. Price controls would be harmful if they did not have overwhelming public support. They would be harmful if they were relied upon as a substitute for more fundamental measures such as taxes and credit controls. They would be harmful if they were not accompanied by adequate wage controls.

ANTI-INFLATIONARY POLICIES

"Nor do I think it would be wise, even if it were theoretically possible, to move into price controls until there is reasonable assurance of price stability in the United States. This attitude has been misrepresented as a policy of letting the United States do the job for us. It is nothing of the kind. We are following fundamental anti-inflationary policies which, I suggest, are more successful than those in the United States. All I am stating is the simple truth, that the price levels in two countries, as closely linked as Canada and the United States cannot, for very long, be insulated from one another...."

"The over-riding aim of national policy today is to strengthen the defences of our country and its allies to the point where aggression will be deterred and, if it is attempted, cannot succeed. This cannot be given a secondary place to any other national objective, however desirable. It will be a costly effort, but much less costly than all-out war, which is the probable alternative. Let us keep these alternatives ever before us in the difficult days that lie ahead. The choice is not between doing less or doing more now. It is between doing sufficient now or doing enormously more later. The price of peace is high. The price of war is infinitely higher."

IN PARLIAMENT THIS WEEK

N.A.T.O. FEDERAL UNION: The Secretary of State for External Affairs, Mr. Pearson, spoke on the subject of the federal union of the democracies originally sponsoring the North Atlantic Treaty in the House of Commons on February 26. He was speaking on a resolution moved by Mr. Alistair Stewart, C.C.F. member for Winnipeg North.

Mr. Pearson said he supported, and thought the Government supported, "the purposes and principles and the idealism" which underlay the resolution, but was not himself certain that those purposes could best be achieved or those principles best implemented by the procedure recommended in the resolution.

The resolution read:

"That, in the opinion of this House, the Government should take into consideration the advisability of supporting the calling of a convention of delegates from the democracies which sponsored the North Atlantic Treaty and representing the principal political parties of such democracies, for the purpose of exploring how far their peoples and the peoples of such other democracies as the convention may invite to send delegates, can apply among them within the framework of the United Nations, the principles of federal union."

After recalling that the view of the United States administration in respect of a similar resolution, had been expressed last June, to the effect that the establishment at this time of such a federation, far from providing additional strength, could be a source of weakness and greater internal divisions, Mr. Pearson said in part:

"....a world federation, such a Tennysonian concept, if I may call it that, is not an end in itself, but merely the means to an end. That end is peace and international co-operation. A federation itself is not any assurance that these ends will be met, either internationally or even domestically. The belief that federations inevitably prevent war domestically was shattered finally, I should think, in 1861 in the United States. The choice before us is not between federation and survival but between collective action and survival. I am not sure that in the present circumstances the latter is not even easier without forcing the former.

"Certainly the problems inherent in international co-operation would not be exercised by taking our stand on anything like federal union, especially a federal union where power would be so unevenly divided between the dominant United States and a country like Luxembourg. I think our own Commonwealth of Nations offers the best example of which I can think of international co-operation on the closest intimate basis without federal institutions or

without federal union of any kind being found to be necessary. As a matter of fact if we had had to institutionalize our co-operation within the Commonwealth that co-operation might not be as close as it is today...."

"I pay a sincere tribute to the idea behind this resolution which I think we all hope will be realized one day, but I do not think to associate ourselves at this time with such a hypothetical invitation would be well advised...."

"I said not very long ago that our North Atlantic alliance may provide the foundation for a great co-operative economic commonwealth of the western world which one day may become a political commonwealth. You may say that this is unrealistic nonsense but I suggest that in this jet-propelled atomic age no plan less than this will be adequate, no vision less than this will do. So far as I am concerned I stand by those words, but I do not think that at this time the calling of a conference of the type indicated by the resolution would make any appreciable advance to the attainment of the ultimate objective, which remains a commonwealth of the free world. Therefore, in order that we in this House may not give the appearance of division and disunity on a matter as to which we are all fundamentally united, I would venture to express the hope that this resolution may not be pressed to a vote at this time."

Mr. Stewart then requested and received permission to withdraw the resolution.

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MORE TROOPS TO KOREA: The following announcement was made in the House of Commons by the Minister of National Defence, Mr. Claxton, on February 21, on the sending of further troops to Korea:

The Minister of National Defence, Mr. Claxton: Mr. Speaker, I should like to make an announcement. Yesterday inquiry was received from unified command of the United Nations forces in Korea as to whether training of the balance of the 25th Canadian Infantry brigade was complete, and if so could it be sent to form part of the United Nations forces in Korea?

This training is almost complete, and the Government agreed today that the other elements in the brigade group should shortly proceed to Korea and join the second battalion of the Princess Patricia's Canadian light infantry there.

Mr. Howard C. Green: Does that mean the second battalion of the Royal Canadian regiment and the Royal 22nd regiment, with supporting troops?

Mr. Claxton: Yes.

GERMANY: The following question and answer were recorded in the House of Commons on February 23 on the subject of the termination of the state of war with Germany:

Mr. Donald M. Fleming (Eglinton): I should like to direct a question to the Secretary of State for External Affairs. What steps, if any, is the Government taking with a view to terminating the state of war with Germany, about which a good deal was said in the press some time ago?

Mr. Pearson: No special steps have been taken with respect to this matter since I spoke to the House about it last some time ago; but the possibility of a termination of the state of war with Germany by action other than through a general peace treaty is under consideration.

JAPANESE PEACE TREATY: The following question and answer were recorded in the House of Commons on February 26 on the subject of a Japanese peace treaty:

Mr. Gordon Graydon (Peel): I should like to address a question to the Secretary of State for External Affairs. Today's press dispatches contain news of the return of John

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HIGH COMMISSIONER IN AUSTRALIA: The Department of External Affairs announced on March 1 the transfer of C. Fraser Elliott, C.M.G., K.C., to be High Commissioner for Canada in Australia in succession to Major-General L.R. Lafleche, who returned to Canada on sick leave some months ago.

Leon Mayrand, now Assistant Under-Secretary of State for External Affairs, will succeed Mr. Elliott as Canadian Ambassador to Chile.

Mr. Elliott was born on October 7, 1888, in Winnipeg. He received his education at the University of Toronto and Osgoode Hall and was called to the Bar of Ontario in 1915 and to the Bar of Quebec in 1928.

On returning to Canada in 1919 after two years' service overseas in the Canadian Army (Lieutenant), he was successively Solicitor, Counsel, Assistant Commissioner, Commissioner, and later Deputy Minister of Income Tax. During the Second World War he was also Salaries Controller, administering the Wartime Salaries Order.

Mr. Elliott was a member of the Fiscal Commission of the League of Nations at sessions in Geneva, Mexico and London. He also negotiated tax conventions with the United Kingdom, United States and France.

In November, 1946, he was appointed Canadian Ambassador to Chile. Mr. Elliott served as an alternate delegate on the Canadian Delegation to the United Nations General Assembly in 1950.

Foster Dulles, the special representative of the United States Government, who has been in the Far East for six weeks in connection with Japanese and other problems, and indicate that perhaps we are getting nearer to a treaty of peace with Japan. Has the Canadian Government been kept closely in touch with the movements of Mr. Dulles and others in that regard? May we expect a meeting soon with respect to a treaty of peace with Japan?

Mr. Pearson: We have kept in touch with United States Government authorities in general, and with Mr. Dulles in particular, in regard to the possibility of an early Japanese peace conference and a Japanese treaty, and through our officers in the countries that he visited on this journey we have the discussions he had about these matters. We expect to be in touch with him directly in Washington within the next few days.

On the other question, about the possibility or otherwise of an early Japanese peace conference, I do not think it would be advisable for me to say anything at this time except there are indications that a Japanese peace settlement will be possible before very long.

In 1929 Mr. Elliott was made a King's Counsel and in the King's Honours List of January 1, 1944, was awarded the C.M.G.

Mr. Mayrand was born November 1, 1905, in Montreal.

In 1929, having graduated in law and social, economic and political sciences at the University of Montreal, he was admitted to the Quebec Bar. He then studied, under a scholarship, at l'Ecole Libre des Sciences Politiques, University of Paris, and at the London School of Economics. In 1933 he was awarded the Prix David by the Province of Quebec and a Doctorate of Laws by the University of Montreal.

He was a member of the editorial staff of La Patrie, Montreal, 1933-34. From 1935 to 1938, he taught public international law at the University of Ottawa and founded the School of Political Science at the same university in 1936.

Mr. Mayrand joined the Department of External Affairs in 1934. He served in Ottawa until 1939, then in London, Rio de Janeiro and Moscow, and returned to Ottawa in 1946. He was Canadian alternate delegate on the United Nations Special Commission on Palestine in 1947, and an alternate delegate to the United Nations General Assembly in 1949 and 1950. He served as head of the European Division, and of the American and Far Eastern Division, and on April 1, 1949, he was promoted to the rank of Assistant Under-Secretary of State for External Affairs.

APPOINTMENTS

Major Allen L. Brady, DSO, RCAC, has been appointed a General Staff Officer, Grade one, with Supreme Headquarters Allied Powers, Europe and promoted to the rank of lieutenant-colonel, the Minister of National Defence, Mr. Claxton, announced on February 27.

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An RCAF officer, Wing Commander Garnet F. Jacobsen, 34, of Winnipeg and (308 Riverdale Ave.) Ottawa, has been assigned to the Supreme Headquarters Atlantic Powers, Europe under General Dwight D. Eisenhower, Air Force Headquarters has announced.

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The Minister of Trade and Commerce, Mr. Howe, announced on February 22 the appointment of Mr. Harold G. Hesler, of Montreal, Assistant General Manager of The Royal Bank of Canada, as Special Adviser on the financial aspects of the Defence Production Programme.

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2 KEY PRODUCTION APPOINTMENTS: Appointment of Henry J. Sissons, of Toronto, as Director of a Priorities Division in the Department of Trade and Commerce, was announced on February 28 by the Minister of Trade and Commerce, Mr. Howe.

While no formal priority system is in force in Canada, the existence of various systems such as the "Defence Order" arrangements in

the United States, make the establishment of a Priorities Division necessary in Canada. In addition to its work in connection with the U.S. sources of supply, the new Division will deal with various problems of ensuring supply for defence orders in Canada in fields that are not covered by separate divisions, such as the Steel and Non-Ferrous Metals Divisions.

Mr. Sissons, who is on loan from the Ontario Hydro-Electric Power Commission, served as Priorities Representative in Washington during the last war and as Deputy Priorities Officer in Ottawa for the Department of Munitions and Supply. He also served as Assistant to the Chairman, Wartime Industries Control Board, and Director of Export Sales for the War Assets Corporation.

The appointment of Crawford Gordon, Jr., of Toronto, as Coordinator of Production for the defence programme was also referred to on February 28 by the Minister. As Coordinator of Production, Mr. Gordon will be responsible for the carrying out and integration of the major production programmes involved in the expanding defence effort, such as aircraft, shipbuilding, vehicles, electronics, guns and ammunition, for which it is anticipated that separate divisions will be established.

Mr. Gordon served in Ottawa in a similar capacity from 1942 to 1945 as Assistant Coordinator of Production in the Department of Munitions and Supply: He is President of the English Electric Company of Canada, St. Catharines, and Executive Vice-President of John Inglis Company, Toronto.

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WEEK'S EVENTS IN REVIEW

EMERGENCY POWERS ACT: The Prime Minister, Mr. St. Laurent, introduced an Emergency Powers Act into Parliament on February 20. The Bill received its first reading after an all-day discussion.

In speaking to the resolution which preceded the Bill, Mr. St. Laurent referred to the gravity of the international situation and the necessity for the wide powers of control being sought.

One reason why the Government had not proclaimed the War Measures Act, he said, was that it was feared such a course might add to the feeling that war is inevitable. He believed that we must increase our efforts to prevent a world war. Moreover, the enactment of an Emergency Powers Bill would not prevent the proclamation of the War Measures Act if the situation should become more critical.

He added:

"There are additional considerations which weighed on the Government. The conditions being different from those which have at previous times led to the proclamation of the War Measures Act, the Government feels it is preferable that there should be a departure from the normal constitutional distribution of powers, and that a decision as to the emergency should not be made merely on the judgment of the Governor in Council as to the present situation, but should rest with the people's representatives in this Parliament. In view of the possibility that the state of emergency

may be of an indeterminate length, the Government considers that all the powers transferred by the War Measures Act to the Governor in Council need not be available immediately. These powers are far-reaching, and they include the capacity to affect not only the ordinary property and civil rights of Canadian citizens, but their personal rights as well...."

"As this resolution indicates, it will provide for restrictions on this general power. While providing adequate powers to deal with the type of situation that may be expected to arise, the Government has endeavoured to avoid taking powers of the grave character which no democratic Government wishes to have, as a Government, unless those powers are really necessary for the safety of the State. I have indicated that the emergency powers sought by this legislation will mean, as does the War Measures Act whenever it is in force, a potential departure from the normal distribution of powers under our federal constitution to the extent that that departure may be deemed necessary for the safety of the State...."

The Prime Minister spoke of the Labour delegation which had visited him that morning, submitting the view that over-all price controls would be beneficial. Mr. St. Laurent added:

"There is, of course, to a certain degree inflation; but it is not the kind of inflation that developed in other countries where currencies were reduced to one-tenth; and in some

1950 FOREIGN TRADE SETS NEW RECORDS

\$6,331,300,000 TOTAL: Canada's commodity imports rose sharply in value in 1950 to reach an all-time peak, while domestic exports and re-exports established peacetime record values, producing together a new high 12-month value for Canada's total foreign trade. The rise in value of imports exceeded substantially the advance in that of exports, eliminating the sizeable export balance of 1949 and bringing the year's trade nearly into balance with a small import deficit.

Total merchandise imports in the year were valued at \$3,174,300,000, an increase of \$413,100,000 or 15 per cent over the previous high value of \$2,761,200,000 for 1949. A considerable part of this rise was due to higher volume as well as prices. Gains in value were recorded over the previous year in March and in the eight months from May to December, while decreases in the other three months were small. In December imports were valued at \$266,300,000 as against \$213,400,000 a year earlier, showing a lesser margin of gain than in the three preceding months but exceeding considerably the average monthly increase from May.

DOMESTIC EXPORTS

Domestic exports in 1950 increased four per cent in aggregate value over 1949, advancing to \$3,118,400,000 as compared to \$2,993,000,000, while foreign exports rose to \$38,700,000 as against \$29,500,000. Total trade for the year -- the sum of imports and exports -- rose to the record value of \$6,331,300,000, up \$547,600,000 from the 1949 aggregate of \$5,783,700,000.

On overall commodity account, there was an excess of \$17,200,000 in the value of imports over exports in contrast with an export surplus of \$261,200,000 the previous year and \$473,100,000 in 1948. Import surpluses occurred in seven of the 12 months, the largest of \$31,500,000 for November being largely offset by an export surplus of \$27,200,000 for December.

The 1950 trade deficit was the first since 1931, at the start of the world economic depression, but is the result of factors that contrast sharply with those at that time. Whereas the adverse balance in 1931 was associated with curtailed markets and depressed

prices for Canada's principal exports, the small deficit last year is partly attributable to the activity of the Canadian economy, and a consequent heightened demand for large quantities of foreign goods both for productive purposes and for consumption. Furthermore, the import balance in 1950 is quite light in relation to the high values of Canada's international trade.

Main feature of the year's trade with the United States was the expansion in domestic exports, which rose 34 per cent in value to \$2,021,000,000 from \$1,503,500,000. Foreign exports to the United States also increased to \$29,500,000 from \$20,600,000. Imports from the United States moved up at a lesser rate of nine per cent to a value of \$2,130,500,000 as compared to \$1,951,900,000. As a result, the traditional import surplus declined sharply to \$80,000,000 from \$427,800,000 for 1949. In December, for the third time in the year, Canada had an export surplus, amounting to \$12,000,000, in trade across the border.

UNITED KINGDOM TRADE

In trade with the United Kingdom, imports were higher in value in 1950 and exports were lower. Total purchases from the United Kingdom were valued at \$404,200,000 as against \$307,400,000 in 1949, increases being recorded in every month except March. Domestic exports to the United Kingdom, on the other hand, declined sharply in value to \$469,900,000 from \$705,000,000, and the small amount of foreign exports was down slightly at \$2,600,000. Canada's export balance with the United Kingdom thus fell to only \$68,300,000 from \$401,800,000 the previous year.

Further reflecting the changes occurring in the direction of trade, Canadian purchases from other Commonwealth countries exceeded exports to those countries in 1950, reversing the experience of many years. This change was due to a combination of smaller exports and larger imports. Imports from Latin America again exceeded exports to those countries as in 1949, while the export surplus to European countries was somewhat smaller and imports from the remaining foreign countries increased sharply to nearly the value of exports.

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ILO CONSTRUCTION CONFERENCE: A programme for concerted action by building contractors and governments to reduce seasonal unemployment in the construction industry will be presented to the Third Session of the Building, Civil Engineering and Public Works Committee of the International Labour Organization, meeting in Geneva February 12-23.

The report by the International Labour Office containing the proposals and entitled "Seasonal Unemployment in the Construction Industry" was made public on February 15 by David A. Morse, ILO Director-General.

It will be discussed by government, employer and worker delegates from 22 countries represented on the ILO Committee, including Canada.

TRAVEL EXPENDITURES: Expenditures of Canadians travelling abroad set a new record in 1950, while visitors from other countries in Canada spent less than in 1949, according to the first estimate by the Bureau of Statistics. The result was a sharp reduction of Canada's credit balance from international travel.

Residents of Canada in 1950 spent \$222,000,000 in travel in other countries -- about 85 per cent in the United States -- an increase of 16 per cent over the previous year's level of \$192,000,000. Expenditures of travellers from other countries in Canada declined to \$275,000,000 from \$286,000,000, with 94 per cent of the year's total originating in the United States. Thus, the credit balance in 1950 on travel account between Canada and other countries amounted to \$53,000,000, or 44 per cent less than the net receipts of \$94,000,000 in 1949.

Canadians travelling in the United States spent \$190,000,000 in 1950 compared with \$164,000,000 the previous year. Canadian shopping in the United States was an important item in these expenditures. Purchases under the \$100 customs exemption were 10 per cent higher with most of the increase in the latter months of the year. On the other hand, the expenditures of United States travellers in Canada totalled \$260,000,000, down three per cent from \$268,000,000 in 1949. Canada's credit balance with the United States on travel account was thus \$70,000,000 as against \$104,000,000 the year before.

Expenditures in Canada by travellers from overseas countries decreased to \$15,000,000 from \$18,000,000 spent in 1949, as a result of a sharp drop in the number of visitors arriving from the United Kingdom who constitute a large proportion of the total. At the same time, expenditures of Canadian travellers in overseas countries rose to \$32,000,000 from \$28,000,000. The result was a net debit in overseas travel accounts of \$17,000,000 compared with \$10,000,000 in 1949.

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NOOTKA'S BAPTISM OF FIRE: A United Nations Naval Base in South Japan -- The Canadian destroyer H.M.C.S. Nootka (Cdr. A.B. Fraser-Harris, Halifax) has returned to this UN naval base after completing her first patrol since arriving in the Far East.

The Nootka arrived in Japan January 14 as a relief for H.M.C.S. Sioux, which is now back in Canada, and sailed a short time later for the west coast of Korea.

On her first patrol, the Nootka found "a little bit of everything." Things started with a bang when, in company with H.M.C.S. Cayuga (Captain J.V. Brock, Winnipeg and Vancouver), the new arrival engaged in a spirited gun duel with red shore batteries at the Korean west coast port of Inchon, now in UN hands.

Her baptism of fire found the Nootka's gun crews quick and cool on the draw.

For the balance of the patrol period, the Nootka guarded the approaches to Inchon while the Cayuga remained in the hostile harbour with the British cruiser Ceylon and a USN task group headed by the cruiser St. Paul, providing gunfire support for the approaching UN armies.

During the sea patrol off Inchon the Nootka spotted and destroyed a floating mine. Further excitement was provided when a Royal Navy flier from the carrier H.M.S. Theseus was forced to ditch his aircraft close to the Nootka. The plane sank like a stone but the pilot was picked up unhurt by the destroyer's seaboot in less than four minutes.

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WHOLESALE SALES INCREASE: Sales of wholesalers in nine lines of trade showed an overall increase of five per cent in 1950 over the preceding year, and the value of year-end inventories was 16 per cent higher than at the end of 1949. In December, sales were 14 per cent lower than in November, but advanced eight per cent in dollar volume over the same month of 1949. The general unadjusted index, on the base, average for 1935-39=100, stood at 282.7 for December, 326.9 for November, and 261.5 for December, 1949.

Hardware and automotive equipment wholesalers led the individual trades in percentage gains both in the month and year, December sales rising 23 per cent and 15 per cent, respectively, and the year's total by eight per cent each. Sales of footwear wholesalers were 11 per cent higher in December, but were practically unchanged in the year. Grocery wholesalers' sales were eight per cent in excess of December, 1949, and seven per cent above the 1949 volume, while sales of dry goods wholesalers were six per cent higher in the month and two per cent in the 12-month period.

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COLOMBO PLAN CONTRIBUTION: The Department of External Affairs said on February 19 that the Canadian Government has agreed to contribute \$25,000,000 to the first year of the six-year Commonwealth Colombo Plan to assist South and Southeast Asia countries.

Canada has undertaken no obligations beyond the first year.

David Johnson, Canadian Delegate to a Colombo, Ceylon, meeting of the Consultative Committee on economic development in the Asiatic area, announced the Canadian contribution to the plan which is estimated to cost \$5,604,000,000 over six years.

"The Canadian Government has now decided it is willing to contribute \$25,000,000 to the first year of the Colombo Plan, provided it is clear other contributing countries will be making appropriate contributions so that the broad objectives of the Colombo Plan can be realized", Mr. Johnson said.

MR. CHEVRIER ON SEAWAY: Completion of the Great Lakes-St. Lawrence Seaway to a full depth of 27 feet "would guarantee forever an all-water route for our commodities at a substantially reduced transportation cost, through the elimination of trans-shipment at such points as Prescott, Port Colborne and Port McNicoll, the Minister of Transport, Mr. Chevrier, said in addressing the Canadian Club of Ottawa on February 21.

He pointed out that the upper end of the Seaway would link "the Canadian West to the Atlantic Seaboard and the American West to the Port of New York. It joins the wheat fields of Western Canada to the United Kingdom markets".

The Minister, on this occasion, dealt mostly with the economic factors of the project. He said that more yearly tonnage passes through the Sault Ste. Marie Locks "than through the Panama, Suez, Manchester and Kiel canals put together." This, he said, "gives some idea of the tonnage that is likely to come through when the development is completed."

A LOGICAL PROJECT

He thought that the building of the Panama Canal through the Isthmus of Panama and the construction of the Suez Canal linking the Mediterranean with the Red Seas "were logical projects. They were the inevitable and the right thing to do, no matter at what cost. On the proposal to construct the Deep Waterway in the St. Lawrence River to link the Great Lakes to the Atlantic, the verdict will be the same."

Outlining the present position with respect to the 1941 Agreement between Canada and the United States for the development of power and navigation on the St. Lawrence the Minister of Transport said that "Canada believes that this Agreement, with certain technical modifications if need be, is the best for all parties concerned. It was arrived at after years of careful study by competent engineers, both Canadian and American."

He drew attention to the fact that the President of the U.S. had asked Congress to ratify the 1951 Agreement and said that "our governments think alike on the development of the St. Lawrence Waterway. I believe that the vast majority of our people think alike, but we must translate this thinking into action."

In outlining the salient economic factors of the St. Lawrence Deep Waterway project, the Minister said that "the prosperity of Canada is to a very large extent dependent upon industrial production and the latter is impossible without power." He estimated that in the five steps of the Great Lakes - St. Lawrence Seaway project there was a potential of approximately 9,000,000 h.p. of hydro energy, two-thirds of which was still undeveloped, "hence, the benefits of this great project to both Canada and the United States, are incalculable."

Canada, he said, has already spent \$300,000,000 to provide a dredged channel of 35 feet below Montreal and a canal system "to enable wheat from the Prairies to move from the head of the lakes by water to the sea, a distance of 2,000 miles. Thus, Canada's wheat crop was able to reach the European market and there compete favourably with the wheat of other countries." He pointed out that Canada's share of the proposed \$806,000,000 Seaway project, after allowance had been made for cost of constructing the Welland Ship Canal, was \$204,000,000 and included any contemplated improvements in the Lachine section.

Outlining the changes which would be necessary on both sides of the international boundary line, Mr. Chevrier visualized that, upon completion, "communities such as Mille Roches, Moulinette, Wales, Dickinson's Landing, Faran's Point, Aultsville, and half of Morrisburg, will in some cases be from 18 to 22 feet under water." He added that "all along for a distance of thirty miles communities will be submerged. Farmhouses, schools, churches, cemeteries and homes will disappear. These, it is hoped, will rise again on the new shore line, where modern and up-to-date communities will re-locate."

* * * *

CANADA AT ILO CONFERENCE: The International Labour Organization's committee for the construction industry was told this week that the "need for new and improved dwellings is urgent throughout the world, and requires every effort on the part of governments, employers and workers."

F.H. Sur of Turkey, Chairman of the committee, also declared that "the question of productivity assumes an ever-growing importance because the new phase of acute shortages, of controls of investment, manpower, wages and materials has already set in."

"Housing problems in the world remain unsolved. The great majority of the population of the world is very badly housed. Little or nothing has yet been done in the field of tropical housing. Even in the industrially developed countries much has to be done to satisfy the basic requirements of the consumers."

Countries represented at the session are Belgium, Brazil, Canada, Chile, Denmark, Egypt, Finland, France, India, Italy, Mexico, the Netherlands, Norway, Poland, Sweden, Switzerland, South Africa, the United Kingdom and the United States.

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AUTOMOBILE ENTRIES UP: Foreign vehicles entering Canada on traveller's vehicle permits increased 13 per cent in January this year, numbering 40,932 as compared with 36,185 in the corresponding month last year. The gain was principally due to a heavy inflow into British Columbia which more than offset a decrease in January 1950 caused by storms.

N. R. C. AIDS MEDICAL RESEARCH: Medical research in Canada is being promoted through grants in aid from the National Research Council to graduate workers in Canadian medical schools and hospitals for the conduct of approved projects.

Under this plan 113 awards are being held this year at university medical schools as follows:

University	No. of grants	Total value
Alberta	7	\$ 8,810
British Columbia	1	1,500
Dalhousie	8	9,185
Laval	2	4,860
Manitoba	6	14,160
McGill	21	72,750
Montreal	8	19,510
Ottawa	4	7,910
Queen's	9	19,075
Saskatchewan	5	16,789
Toronto	22	69,140
Western Ontario	20	52,675
	<u>113</u>	<u>296,364</u>

In addition to these individual grants, the Council has also awarded four consolidated grants this year. These grants may be made to a laboratory or institution in which (i) the research programme is stabilized; (ii) the running expenses are reasonably constant; (iii) the research programme is generally recognized as of a high order and, (iv) the reputation of the director is firmly established.

These four awards amounted to \$115,000, distributed as follows: Royal Victoria Hospital, Montreal, \$25,000; Montreal Neurological Institute, \$40,000; Toronto, \$25,000; and Western Ontario, \$25,000.

Other institutions given medical research awards this year are: Children's Memorial Hospital, Montreal, \$2840; Montreal General Hospital, \$1630; Regina General Hospital, \$1330; Royal Jubilee Hospital, Victoria, \$2150; Royal Victoria Hospital, Montreal, \$5000; St. Jean-de-Dieu, Quebec \$2500; Toronto Western Hospital, \$10,700. Total \$26,150.

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INTERNATIONAL TRADE FAIR: The textile section of the Canadian International Trade Fair, always one of the major classifications, shows promise this year of being larger than ever before, with a substantially wider variety of goods to be displayed and many more firms represented.

So far, about 135 individual firms from seven different countries have booked a total of more than 12,000 square feet of space to exhibit textile products of all descriptions. The amount of space to be used this year for textile goods will almost certainly surpass

last year's 20,000 square feet. Countries so far represented with textile products are Austria, Canada, Czechoslovakia, England, France, The Netherlands and the United States.

The volume of space bookings steadily coming in indicates that the 220,000 square feet of space available in the Fair for exhibit purposes will be filled. Already about 120,000 square feet have been firmly booked, with 18 countries so far represented. About 35 countries are expected ultimately to participate in Canada's 1951 Trade Fair, which will run from May 28 to June 8.

The Canadian Primary Textile Institute, with 3,120 square feet booked, has more than doubled the size of its 1950 display. Products of about 70 Canadian firms comprise this composite display, which will show a comprehensive picture of Canada's textile production.

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LABOUR INCOME AT NEW PEAK: Total labour income reached a new all-time monthly peak in November, rising 1.4 per cent over the previous high in October, and 10.9 per cent over November, 1949, according to the monthly estimates by the Bureau of Statistics. Cumulative total for the first 11 months of 1950 was 6.1 per cent larger than in the same period of 1949.

All-Canada total for November amounted to \$733,000,000 as compared with \$723,000,000 in October and \$661,000,000 a year earlier, bringing the aggregate for the 11 months ending November to \$7,411,000,000 against \$6,988,000,000 in 1949.

There were increases in November over the preceding month and November, 1949 in all main groups except construction which was lower than in October but up from a year earlier. In the 11 months all groups moved upward.

INCOME IN MANUFACTURING

Labour income in manufacturing for the month totalled \$248,000,000 as compared with \$244,000,000 in October and \$218,000,000 in November, 1949. The aggregate for the January-November period rose to \$2,512,000,000 from \$2,365,000,000 in 1949. In utilities, transportation, communication, storage and trade, labour income in November moved up to \$193,000,000 from \$188,000,000 in October and \$177,000,000 a year ago, and in the 11 months to \$1,947,000,000 from \$1,848,000,000.

Estimated total for finance and services, including government, advanced to \$153,000,000 from \$152,000,000 in October and \$143,000,000 in November, 1949, and for the 11 months amounted to \$1,621,000,000 as compared with \$1,514,000,000 in 1949. In the agriculture, logging, fishing, trapping and mining group, labour income in November was \$61,000,000 as against \$59,000,000 in the preceding month and \$51,000,000 a year earlier, and in the 11-month period rose to \$547,000,000 from \$539,000,000.

The month's total for construction was \$53,000,000, down from the October figure of \$55,000,000, but was higher than the November, 1949 estimate of \$50,000,000. Cumulative total for the 11 months amounted to \$528,000,000 against \$486,000,000 in the like 1949 period. Supplementary labour income in November was \$26,000,000 as compared with \$25,000,000 in October and \$23,000,000 a year ago, and for the 11 months amounted to \$256,000,000 against \$230,000,000.

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IN AGREEMENT ON CIVIL DEFENCE: The second meeting of civil defence representatives of Canada and the United States was held in the Parliament Buildings at Ottawa on February 21.

The United States representatives were: J.J. Wadsworth, H. Galligher, S.H. Sabin and A.L. Seymour.

The Canadian representatives were: Defence Minister Brooke Claxton, Maj.-Gen. F.F. Worthington, Col. M.P. Cawdron, Brig. W.J. Lawson, M.H. Wershof and A.L. Wright.

At the early stages of the meeting General Worthington presided and extended a welcome from the Minister of National Defence, Mr. Claxton.

Following the meeting this statement was authorized:

"At the meeting of representatives of the federal civil defence authorities of Canada and the United States held at Ottawa today, complete agreement was reached on all points so as to ensure complete co-operation on all matters regarding civil defence information, research, planning, organization and training. As far as possible, the object of this co-operation will be to ensure that civil defence activities will be carried on as between Canada and the United States as if there were no border.

"The arrangement which was unanimously agreed to will be reported back to both Governments and, if approved, will constitute the basis for continued co-operation between the federal civil defence authorities as well as direct co-operation between provincial and state authorities and municipal authorities where that is desirable."

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"SIOUX" TO FAR EAST: The destroyer H.M.C.S. Sioux (Cdr. Paul D. Taylor, Victoria), which returned to Canada February 4 from operations in the Korean war zone, will relieve H.M.C.S. Athabaskan (Cdr. R.P. Welland, Victoria) in the Far East, Naval Headquarters announced on February 22.

The Athabaskan will be the third and last of the three Canadian destroyers, despatched

last July to the Korean theatre, to return home. H.M.C.S. Cayuga (Captain J.V. Brock, Winnipeg and Vancouver) is scheduled to be relieved by H.M.C.S. Huron (Cdr. E.T.G. Magdwick, Ottawa) early in March.

Now refitting in the dockyard at Esquimalt, B.C., the Sioux is expected to be completed by the middle of March, after which she will undergo a period of trials and work-ups before sailing April 8 for Pearl Harbour, where once again she will come under United Nations command.

Approximately 40 per cent of her present ship's company will be replaced in order that they may proceed to courses required for promotion or advancement and at the same time provide an opportunity for other members of the R.C.N. to gain experience at sea under war conditions.

* * * *

1,300 NETHERLANDS SETTLERS: Bringing 1,300 new Netherlands settlers to Canada on her first scheduled sailing for 1951, the S.S. VOLENDAM is expected to arrive in Halifax at the week-end, it was announced on February 21 by the Department of Citizenship and Immigration.

His Excellency A.H.J. Lovink, Netherlands Ambassador to Canada, making his first official visit to the Port of Halifax, is to greet the new arrivals, and officials of the Department of Citizenship and Immigration will also be on hand to welcome them.

The immigrants, most of them farm family groups, are to proceed at once by special trains to placements already arranged throughout Canada. Similar groups of Dutch settlers will come to Canada during the next six or seven months, on periodic sailings of the VOLENDAM, which has been chartered by the Netherlands Government for that purpose.

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HARBOUR TRAFFIC AT HIGH LEVEL: Harbour traffic continued at a high level in 1950, Traffic returns of the National Harbours Board show an increase in the number and registered tonnage of vessel arrivals, and a gain of over 8% in aggregate cargo tonnage over the previous year. Summary figures, released on February 21 by the Minister of Transport, Mr. Chevrier, show that in the eight "national" harbours, vessel arrivals in 1950 numbered 46,154, having a net registered tonnage of 37,115,589 as compared with 44,067 in 1949, having a net registered tonnage of 34,723,963. Aggregate cargo tonnage, inward and outward, was 36,615,483 last year, as compared with 33,713,796 in 1949, the increase being 2,901,687 tons.

EMERGENCY POWERS ACT

cases to one-thousandth, of their previous values. There has been a price spread which has made it impossible to secure for the dollar the same quantity of commodities or the same kind of commodities that it was possible to secure for that dollar before the last great war.

"As to the manner in which Governments should exercise powers to counteract or prevent increases in prices, there certainly is room for divergence of views, and there is divergence, of course; and, as everyone recognizes, there are many factors at the present time different from those which existed in 1941. But there is no doubt that inflation--if we choose to call it that--with further substantial increases in price levels, would be a serious danger to the economy of the country...."

STAND-BY POWERS

"We are asking Parliament to authorize by this legislation the doing of some of the things which were done during the last war under the War Measures Act.

"It is my hope that not many of the powers sought by this legislation will have to be exercised! At the present time there is no power in the federal Government to control prices, other than those which may be affected by the requirements of defence supplies, which threaten the remainder available to the public and which might force up those prices.

"The very existence of the right to intervene and establish regulations sometimes is in itself sufficient as a warning to prevent abuses; and the existence of these stand-by powers may make it unnecessary to deal with abuses that might arise if they were not in existence. It is not possible for us at the present time to say which and when and how these powers to control the economy of the country will have to be exercised. But the legislation which will follow on this resolution, if it passes, will provide that whatever exercise is made will have to be immediately communicated to Parliament in accordance with the Regulations Act and can be rescinded by resolution of Parliament in the manner in which, in the United Kingdom during the last war, action was taken with respect to orders in council made under similar powers.

"There is no desire to by-pass Parliament; there is no desire to attempt to maintain anything that Parliament would not think was in the interest of the country...."

In the preliminary discussions which preceded the introduction of the Bill, Opposition Party Leaders concurred in general with the proposed legislation, but the Leaders of the Progressive Conservative and C.C.F. Parties said they thought the time for action on controls was now.

AID FOR INDIA. PAKISTAN: The Secretary of State for External Affairs, Mr. Pearson, announced in the House of Commons on February 21 that Canada proposes to send wheat to India and other aid to Pakistan.

Mr. Pearson noted the recent announcement by Mr. David Johnson, High Commissioner in Pakistan and Delegate to the recent meeting of the Consultative Committee, that the Canadian Government would ask Parliament to appropriate \$25 million as its contribution to the first year of the plan, provided it was clear that other contributing countries would be making appropriate contributions so that the broad objectives of the Colombo plan might be realized.

The United States representative at the Colombo meeting, he recalled, said that his Government welcomed the initiative of the countries participating in the Colombo plan; that the plan itself appeared to offer a basis for genuine economic progress, and that the United States intended to co-ordinate to the greatest extent possible the programme it had undertaken or might undertake in the area with those programmes under the Colombo plan.

"I should also inform the House that we are immediately opening discussions with the Indian Government to see whether they would wish that some of the funds we provide this year under the Colombo plan should be spent on Canadian wheat for their famine-stricken country," Mr. Pearson continued. "As yet we do not know exactly what types of wheat, available in Canada, will be of use to India; nor, of course, do we know what next year's crop will be. However, it is our hope that some wheat may be provided to the Government of India in connection with the plan. This wheat, I imagine, would be sold by the Indian Government to the people of India under its rationing system, where possible, and the money so raised could then be voted to capital developments. In the Colombo report it is clearly recognized, especially in the case of India, that imports of food as well as imports of capital goods may serve in attaining the objectives of the plan. At the same time that we open discussions with the Indian authorities we shall open parallel discussions with the Pakistan authorities...."

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WHEAT STOCKS: Visible supplies of Canadian wheat in North America on February 8 this year amounted to 215,853,245 bushels as compared with 218,535,882 a week earlier, and 151,763,668 on the same date last year.

Deliveries from farms in the Prairie Provinces during the week totalled 1,295,513 bushels against 1,276,903 a year ago, raising the total for the crop year to date to 257,582,746 bushels compared with 246,156,293 in the similar period a year earlier. Overseas export clearances in the week amounted to 1,082,518 bushels compared with 1,168,365 a year ago.

NATIONAL NOTES

The Minister of Trade and Commerce, Mr. Howe, announced in the House of Commons on February 22 that the Canadian Government has taken steps to purchase for \$328,000 the known tungsten ore reserves of the Emerald property in British Columbia from the present owners, Canadian Exploration Limited. Equipment has been ordered to build a mill of 250 tons daily capacity and the mine, which has been closed down for some years, is being rehabilitated. It is expected initial production of tungsten concentrates will be obtained by next autumn.

The Debate on the Speech from the Throne ended in the House of Commons, on February 16 after the defeat of the Social Credit and Progressive Conservative amendments by 146 to 15 and 115 to 46, respectively.

Short service commissions as Lieutenant, Captain or Major in the Active Force are offered for terms of three, four and five years at the election of the applicant, it has been announced by the Minister of National Defence, Mr. Claxton. The new plan has been instituted to meet the need for officers required in the expanded defence programme.

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PACIFIC STEAMSHIP SERVICE: The Minister of Transport, Mr. Chevrier, announced on February 22 that the Canada-Australia-New Zealand steamship service provided by the R.M.S. "AORANGI" is to be resumed under a one-year subsidy provided by the three Commonwealth countries. This joint subsidy will cover operating deficits of the vessel up to \$400,000 in maintaining this trans-Pacific service. Canada will provide two-thirds of the subsidy and the Government of Australia and New Zealand will contribute the remaining third.

Discussions have been held with the Governments of Australia and New Zealand and it was only on February 22 that final confirmation of their decision to participate in the one-year subsidy plan for this service had been received.

The Government of Canada has always been sympathetic to any means of maintaining direct transportation service between Canada and sister Commonwealth nations and had subsidized steamship service to Australia and New Zealand for 47 years, from 1893 until the outbreak of the Second World War.

Consideration must be given, however, the Minister said, to the changing trend of transportation with the development of trans-Pacific air services and the need for newer and faster type passenger and cargo vessels. It is the hope of the Government that the Canadian-Australasian Line Limited will find some means during the coming year to make this service more self-supporting than at present.

EXERCISE "SUN DOG TWO": CHURCHILL, Man., February 22 -- The Joint Army-RCAF tactical exercise, Sun Dog Two, reached a climax today (February 22) when an airborne company of the 1st Battalion Royal Canadian Regiment parachuted into the barren lands north of here to attack an "enemy" position held by men of the 1st Battalion Royal 22nd Regiment. The temperature at the time of the jump was 30 degrees below zero.

A small exercise to test the effects of Arctic conditions on men and equipment, Sun Dog Two began with long range air reconnaissance by the RCAF. This was followed by an air-ground reconnaissance party of both RCAF and Army personnel.

Object of the search was a platoon of the Royal 22nd Regiment which had been living in the barren lands for some days and periodically moving its position. Morale of the "enemy" platoon throughout the exercise has been described as "very good".

With the enemy position determined, paratroops of the RCR and a portion of the Light Battery, RCA, were flown into the northland and dropped today by parachute and glider in an area approximately 80 miles north of here.

The overland battle will continue today and tomorrow after which it is expected the troops will be returned to Fort Churchill. Re-supply of the attacking force is being carried out by the RCAF.

A sidelight of the exercise has been the establishment of a "ghost area" 16 miles from the enemy position. Complete with medical staff and equipment, this ghost camp was organized as a safety factor to permit speedy evacuation of emergency medical casualties if necessary. In conjunction with the camp, an airstrip has been constructed by Royal Canadian Engineers on a lake inshore from Hudson Bay. Knowledge of the presence of this airstrip is proving a beneficial morale factor for participating troops.

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AMBASSADOR OF GREECE: The Department of External Affairs announced on February 22 that Mr. Nicolas A. Anissas presented on that date to His Excellency the Governor General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Greece to Canada.

The Secretary of State for External Affairs, Mr. Pearson, was present. Mr. H.F. Feaver, Head of Protocol Division, presented Mr. Anissas to His Excellency the Governor General. Mr. Steve G. Rockanas, Secretary at the Greek Embassy, accompanied the Ambassador.

Mr. Anissas entered the Greek Ministry of Foreign Affairs in 1919 and served successively at Berlin, Prague, Moscow, Berne, Addis-Ababa and Buenos Aires. In 1946 he was appointed Head of the Administrative and Legal Division of the Ministry and in 1949 Head of the Personnel Division. In November 1950 he was nominated to succeed Mr. Sakellaropoulo as Ambassador of Greece to Canada.



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WEEK'S EVENTS IN REVIEW

KOREAN 38TH PARALLEL: The Prime Minister, Mr. St. Laurent, and the Secretary of State for External Affairs, Mr. Pearson, both made brief statements in the House of Commons this week on the current Korean situation. The statements were made in reply to questions by the Leader of the C.C.F. Party, Mr. M. J. Coldwell.

On February 12, Mr. Coldwell addressed the following question to the Prime Minister, in the absence of the Secretary of State for External Affairs:

"Were members of the United Nations consulted about the reported recrossing of the 38th parallel by United Nations troops? If so, did Canada express an opinion and what was it?"

Mr. St. Laurent:

"As to the first question, whether members of the United Nations were consulted about the reported recrossing of the 38th parallel, the answer is, not to our knowledge. In view of that answer, no reply is required to the second question."

Mr. Coldwell:

"If I may ask a supplementary question, has Canada made any representations to the Secretary General or to the United Nations concerning reconsideration of the implied permission which was granted to the troops last October?"

Mr. St. Laurent said he would not like to give a positive answer, but would take the question as notice and ask the Secretary of

State for External Affairs to deal with it at an early date. On the following day Mr. Pearson replied:

"... There is some doubt as to the exact details about the reported crossing of the 38th parallel by a South Korean detachment. Apparently it was a purely tactical movement and on a small scale, and does not indicate that any decision has been taken for a major crossing on the line, even if military conditions make that possible.

"In reply to the second question, Mr. Speaker, Canada has not made any representations to the Secretary-General or to the United Nations, concerning the question of the recrossing of the 38th parallel by United Nations forces. However, representatives of Governments with forces participating in Korean operations have had informal discussions recently with the United States representatives in regard to this and other matters arising out of the Korean campaign. These discussions have included a Canadian representative. As a result of these discussions, I think I can state that the political significance of any new move across the parallel deep into North Korean territory is fully appreciated. At this moment I would not like to add anything to this observation beyond repeating my view that any decision taken in this matter should be a collective one, including particularly those Governments who are participating in United Nations-Korean operations of which the most important is the United States of America."

BIGGER AND BETTER 1951 TRADE FAIR

NEW FIRMS. NEW COUNTRIES: Although firm bookings for the 1951 Canadian International Trade Fair, May 28 to June 8, are only partially complete, product information so far available strongly indicates that the Fair will be bigger and more comprehensive than ever before, with the industrial goods sections in particular surpassing past years both in size and range of products.

BRITISH TRADE ASSOCIATIONS

Many new firms and even new countries will be represented in most of the classifications containing products of interest to manufacturers, and a number of past exhibitors in this category have taken more space than before. The British Machine Tool group, for instance, has booked about 30,000 square feet of space--5,000 square feet more than last year. Besides the machine tool group, seven separate British trade associations have taken blocks of space to exhibit a wide range of machine tools, mechanical handling equipment, printing machinery, scientific instruments and related products. This, coupled with the number of applications, firm and pending, from individual companies indicates that British participation in the industrial equipment sections of the 1951 Trade Fair will be very strong. In 1950, a total of close to 50,000 square feet was taken by British industry in the eight classifications devoted to capital goods. Already almost 40,000 square feet has been firmly booked by the British in those sections for the 1951 Trade Fair.

Canadian producers are also making a better showing this year. It appears that the 22,000 square feet used in 1950 to show Canadian-produced capital goods will be exceeded in this year's Fair. About 15,000 square feet is so far booked firm by Canadian exhibitors in the industrial category.

Switzerland is also making a better showing this year, with a large exhibit of textile machinery, which will be in operation during

COLOMBO PLAN ECONOMIC MEETING: The Department of External Affairs has announced that Canada would participate in a meeting of the Consultative Committee on the Economic Development of South and South-East Asia to be convened in Colombo, Ceylon, on February 12. This will be the third meeting of the Consultative Committee and the first since the report on the Colombo Plan was released on November 28, 1950. During 1950 the Consultative Committee was composed of seven members of the Commonwealth--Australia, New Zealand, United Kingdom, India, Pakistan, Ceylon, and Canada. The Membership has now been widened to include the United States.

the Fair.

The products and materials so far registered cover an extraordinarily wide range of industrial production. Plant equipment from delicate hand tools to mammoth power presses will be displayed for careful appraisal of business executives and technical experts interested in finding the most efficient and economical equipment to bolster production already affected to some extent by shortages and restrictions.

Among the exhibits from Britain will be several lines of material handling equipment, including at least three different types of fork lift trucks--gasoline, diesel and electric powered--and a wide variety of conveyors, lift equipment and other related products. One British firm will have a working model of an aerial ropeway and mechanical handling installation. Another new British exhibit will be a compressed air operated "Electropump" for pumping difficult liquids.

MOVING STAIRWAY EQUIPMENT

A Canadian firm will exhibit elevator and moving stairway equipment for the first time. High speed wood working machines, abrasives, steel strappings, punch presses, steel tubing for a variety of purposes, melting furnaces, electric motors, diesel engines, metals, lathes, drills, grinders and assorted precision tools are only a small sampling of the products already comprising the industrial goods sections of the Fair. Details on products from the other countries exhibiting in this category will be available shortly.

So far more than 100,000 square feet of the 220,000 available for exhibit purposes has been firmly booked. From early indications, it is reasonable to expect that the 1951 Canadian International Trade Fair will be a greater success even than last year's Fair, which was considered outstanding in its business results and contributions to trade and commerce generally.

The main purpose of this meeting of officials will be to review the position since the last meeting of the Committee in London in September 1950 and to consider future action and organizational arrangements under the Colombo Plan.

The Canadian Delegation will be: **W**

Delegate: Mr. David Johnson, High Commissioner for Canada in Pakistan.

Alternate Delegate: Mr. Paul Sykes, Canadian Trade Commissioner in Colombo.

Adviser: Mr. Clarence Read, Department of Finance, Ottawa.

Adviser: Mr. J.H. Thurrott, Department of External Affairs, Ottawa.

EMPLOYMENT GENERALLY BUOYANT: Although employment conditions generally throughout Canada were remaining buoyant, with shortages of certain types of skilled labour recorded in several industries, the annual lull in seasonal industries was having its effect by the end of January.

Among the seasonal industries which provide jobs for a large section of the labour force and which have reduced output and employment because of winter conditions, the construction industry showed the greatest decline. This industry which employs nearly 380,000 persons at the peak of activity during the summer months has released temporarily about 130,000 workers until the spring sees an upswing in activity. Many transportation and farm workers are also seeking alternative jobs.

By January 18, total employment applications on file in all offices of the National Employment Service numbered 282,000, an increase of nearly 34,000 since January 4. However, if the 130,000 workers laid off in the construction industry were subtracted from this figure of 282,000, representing the total applications on file at the Employment Offices, the number of other unplaced applicants would compare favourably with the total unplaced applicants at the point of highest employment late last summer, indicating the present high level demands in industries other than those of a seasonal character.

The increased coverage of unemployment insurance this year, as well as the provision of supplementary benefits, have extended the assistance provided to unemployed workers during these periods of slack employment. Nearly 85 per cent of all persons registering at N.E.S. offices now are claiming unemployment insurance.

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LT.-GEN. FOULKES' FAREWELL: Army orders published over the week-end carried a farewell message to all ranks from Lt.-Gen. Charles Foulkes, CB, CBE, DSO, former Chief of the General Staff, who has now relinquished command of the Canadian Army to become Chairman of the Canadian Chiefs of Staff. The message read in part:

"It is with a feeling of sadness that I relinquish command of the Canadian Army to take over my new appointment as Chairman of the Canadian Chiefs of Staff.

"During the past five years we together have accomplished many things. We efficiently demobilized our great overseas army. We organized a new Canadian Army. More recently we set up the Special Force for service with the United Nations. I fully realize that these and many other splendid achievements were only possible thanks to the wholehearted co-operation and devotion to duty of every one of you. Together we have upheld the good name and traditions of our army."

CONTROL EXPORT OF HIDES TO U.S.: The Minister of Trade and Commerce, Mr. Howe, announced on February 9 that export controls on hides and skins were being extended to cover sales to the United States, as well as to other destinations at present covered by existing regulations. At the same time, he said this would be only a temporary measure, made necessary by the freezing of all sales and deliveries of cattle hides and calfskins in the United States until March 15, 1951, under an order issued by the National Production Authority.

According to the United States regulations, producers or dealers may not deliver cattle hides and calfskins acquired after February 6, 1951. However, without the export controls now imposed in Canada, United States tanners would still be free to purchase any supplies obtainable in the Canadian market, while Canadians could not obtain supplies in the United States market.

There is usually a considerable traffic both ways across the border in hides and skins. In keeping with the general understanding between Canada and the United States, it is the intention to remove the new controls as soon as practicable. To this end, Canadian officials are already in touch with authorities in Washington who are studying the necessity for set asides covering military requirements and the issuance of regulations for the purpose.

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FOREIGN COMPENSATION COMMISSION: The Department of External Affairs wishes to draw the attention of interested persons to a public notice in the Canada Gazette advising that arrangements have been completed for the Foreign Compensation Commission, which has been established in the United Kingdom, to consider claims of Canadian citizens and corporations for losses resulting from nationalization and other measures in Yugoslavia affecting British property rights and interests. The notice refers to agreements made between the United Kingdom and Yugoslavia, in which Canada has joined, whereby Yugoslavia will pay in full discharge of all such claims a sum to be distributed proportionally amongst claimants. A Canadian Commissioner will sit with the United Kingdom Commission when Canadian claims are being considered.

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STOCKPILING BLOOD PLASMA: The Canadian Red Cross Society will act as the official agency for the procurement of blood and blood products for the armed forces by supplying sufficient quantities of dried blood plasma, it was announced on February 9 by the Minister of National Defence, Mr. Claxton. The Red Cross is also stockpiling blood plasma for civil defence needs.

The Minister said the Red Cross, which opens its national appeal for \$5,000,000 on March 1, will also supply the necessary sterile administration sets and pyrogen-free distilled water for the reconstitution of dried blood plasma, prior to use in transfusions.

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MILITARY EQUIPMENT FOR BELGIUM: The following statement was made in the House of Commons on February 8 by the Minister of National Defence, Mr. Claxton, on the supply of military equipment to Belgium:

"Mr. Speaker, as hon. members know, Canada supplied the equipment, largely armament and ammunition, for a division to The Netherlands, and this was delivered last December.

"Monday night in the House I stated that, arrangements having been completed for replacement by equipment of U.S. pattern, we had indicated to the Council Deputies under the North Atlantic Treaty our willingness to supply the equipment for another division, and we asked advice as to its disposition.

"Word was received today that the standing group had recommended that this equipment be delivered to Belgium. I am glad to report that this action was approved by the Cabinet this afternoon.

"As soon as shipping instructions are received, the equipment will be shipped from the ordnance depot at Longue Pointe, Montreal, where it is ready and in good condition.

"By this action we will help to strengthen the defences of freedom in Western Europe, promote standardization on each side of the Atlantic, and strengthen the ties which already exist between the forces and peoples of Belgium and our own country."

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AUTO SALES UP 50 P.C. IN 1950: Canadians bought about 50 per cent more new automobiles in 1950 than in the previous year, preliminary sales totals of new passenger cars, trucks and buses rising to 427,340 from 286,341 in 1949, the previous high annual total. The retail value was ~~\$877,964,000~~ as compared with ~~\$588,725,000~~. In December, sales totalled 29,309 units as against 22,221 and the value amounted to ~~\$63,197,000~~ against ~~\$44,803,000~~.

Sales of new passenger cars during the year rose to 322,991 units from 202,318, and the value advanced to \$658,243,000 from \$412,298,000. Truck sales increased to 103,694 units from 83,450, and the value rose to \$207,634,000 from \$166,172,000. Sales of buses totalled 655 as against 573 and their value amounted to \$12,087,000 compared with \$10,255,000.

Out of the new motor vehicles sold last year, 135,037 were financed to the extent of \$191,113,000 as compared with 81,502 for \$115,511,000 in 1949. Used vehicles numbered 228,293 compared with 151,486, and their financed value totalled \$151,242,000 as against \$103,673,000.

FARM PRICES AGAIN DOWN: Farm prices of Canadian agricultural products moved lower in 1950 for the second successive year, the annual average index number, on the base 1935-39 equals 100, declining 2.5 points to 249.3 from 251.8 in 1949, and was 3.1 points below the all-time high annual average figure of 252.4 reached in 1948.

Due to higher prices for livestock together with advances in the prices received for dairy products, poultry and eggs, the index for December rose to 245.4 from 240.6 in the preceding month, but was down from the December, 1949 index of 248.4.

Provincially, Ontario was the only Province to record an advance in 1950 over the previous year, while in December indexes were lower in Prince Edward Island and the Prairie Provinces, but higher in the remaining regions.

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RAILWAY REVENUES RECORD: Operating revenues of Canadian railways during the calendar year 1949 climbed to a new record total of \$894,397,000, a gain of \$18,565,000 or 2.1 per cent over the previous high of \$875,832,000 reached in 1948, according to the final detailed report for the year by the Bureau of Statistics.

Due to higher material costs, operating expenses rose from \$808,126,000 in 1948 to a record \$831,456,000, or by 2.9 per cent. Net operating revenues were reduced from \$67,706,000 in 1948 to \$62,941,000 in 1949.

The resulting net operating income for 1949 was \$30,559,000, down \$2,604,000 or 7.9 per cent from the preceding year. Non-operating income, largely dividends and subsidiary earnings, was \$39,632,000 for the year as against \$42,613,000 in 1948. Interest payments on funded and unfunded debt were heavier at \$66,688,000 compared with \$65,901,000. All other non-operating expenses increased from \$12,170,000 to \$15,949,000.

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ECOSOC DELEGATION: The Secretary of State for External Affairs, Mr. Pearson, announced on February 9 the composition of the Canadian Delegation to the 12th Session of the United Nations Economic and Social Council which will take place in Santiago, Chile, from February 20 to March 20. The members of the Delegation are:

Representative: Mr. John D. Kearney, M.C., K.C., Canadian Ambassador in Argentina.
Alternate Representative: Mr. J.F. Parkinson, Financial Counsellor, Canadian Embassy, Washington.

Principal Adviser: Miss B.M. Meagher, Department of External Affairs.

Advisers: Mr. G.V. Beaudry, Second Secretary, Canadian Embassy, Santiago, and Mr. A.R. Crépault (Secretary), Canadian Permanent Delegation to the United Nations, New York.

GROSS NATIONAL PRODUCT SETS NEW RECORD

\$1.3 BILLION ABOVE OLD PEAK: Goods and services produced in Canada in 1950 reached a record total value of \$17.7 billion, a gain of \$1.3 billion or eight per cent over the previous peak value of \$16.4 billion in 1949, according to the preliminary estimate of Canada's gross national product in 1950 released February 10 by the Bureau of Statistics. A substantial part of this rise is due to price increases, the Bureau points out, but nearly one-half of the rise represents an increase in the volume of goods and services produced.

Canada's national income -- which represents the nation's earnings from current production -- also increased by eight per cent, from \$13,167 million in 1949 to \$14,164 million in 1950. Salaries, wages and supplementary labour income showed a gain of six per cent, rising from \$7,800 million in 1949 to \$8,300 million in 1950. High levels of employment, combined with an increase in average hourly earnings, were mainly responsible for the rise in labour income. Most of the major industrial groups shared in this increase with the exception of agriculture. This industry experienced a decline in the number of farm workers.

INVESTMENT INCOME

Investment income increased by approximately 21 per cent from \$2,365 million in 1949 to \$2,852 million in 1950. Corporation profits, net rents received by individuals, and trading profits of government enterprises shared in this increase.

Net income of farm operators from farm production was somewhat lower in 1950 than in 1949. Farm cash income was substantially lower, mainly as a result of a lower initial payment price for wheat, and lower equalization and participation payments from the Canadian Wheat Board. At the same time, operating expenses were higher in 1950 than in 1949. However, there occurred a substantial accumulation of inventories held on farms. The net effect of these factors was that net farm income declined by six per cent, from \$1,513 million to \$1,424 million. On the other hand, net income of other unincorporated businesses, including professional income, rose by nearly six per cent, from \$1,374 million in 1949 to \$1,451 million in 1950.

The gross national expenditure indicates the manner in which the national output is absorbed. The year 1950 was characterized by rising expenditures on the part of persons, governments and business. Personal expenditure on consumer goods and services, the largest component of gross national expenditure, in-

creased by nearly seven per cent, from \$11,086 million in 1949 to \$11,810 million in 1950. Much of this increase was taken up by higher prices, but a gain of approximately three per cent in the volume of consumer purchases is indicated.

Expenditure on goods and services by federal, provincial and municipal governments rose approximately 10 per cent, from \$2,128 million in 1949 to \$2,333 million in 1950. At the federal level there was a considerable increase in defence expenditure. The rise in expenditure at the provincial and municipal levels was mainly due to higher operating costs, increases in capital expenditure, and flood relief in Manitoba. Despite these increases, government expenditure on goods and services absorbed only about 13 per cent of the nation's total production in 1950, approximately the same as in 1949.

RESIDENTIAL CONSTRUCTION

The value of new residential construction was \$748 million in 1950, practically unchanged from the figure of \$741 million in 1949. Investment in plant and equipment increased from \$2,220 million in 1949 to \$2,375 million in 1950, a gain of seven per cent. At the same time, investment in inventories showed a large increase in both value and volume terms. In 1950 the change in inventories amounted to \$785 million, compared with \$108 million in 1949.

The upsurge of demand related to expanding defence programme, rising levels of income, the progressive removal of import restrictions, and the relaxation of exchange controls in 1950, led to a marked upswing in the value of merchandise imports from the United States. At the same time a gradual recovery of production in Europe and the improved bargaining position of the European seller in Canadian markets resulting from the re-alignment of currencies in 1949, made possible an increase in merchandise imports from the non-dollar countries. Thus, the value of total imports of goods and services showed an increase of 17 per cent over 1949, rising from \$2,837 million to \$4,500 million.

On the other hand, the value of total exports of goods and services increased only moderately in 1950, from \$4,004 million to \$4,200 million, or by five per cent. Although merchandise exports to the United States showed a notable rise of approximately 35 per cent over 1949, this increase was offset to a considerable extent by a decline of 33 per cent in the value of merchandise exports to the United Kingdom.

SEAWAY OF GREATEST IMPORTANCE TO DEFENCE

MR. CHEVRIER'S MONTREAL ADDRESS: Anticipating that a "very substantial expansion of Montreal Harbour facilities will be necessary" if the St. Lawrence Deep Waterway is developed, and also that the St. Lawrence Ship Channel between Montreal and Quebec would have to be enlarged "in order to cope with anticipated increased tonnage as well as larger vessels to be used in ore traffic," the Minister of Transport, Mr. Chevrier, on February 13, outlined the economic and engineering features of the project for the benefit of a joint meeting of the Montreal Board of Trade and Chambre de Commerce.

He indicated that one of the contemplated improvements would be the creation of a dammed-up pool for shipping between Victoria Bridge and Longue Pointe, similar to those constructed in the principal world harbours including London, Liverpool, Antwerp, Havre, Buenos Aires, etc.

WORKS IN MONTREAL HARBOUR

Not only would remedial works in Montreal harbour have the effect of eliminating the river current, improving ice conditions and greatly reducing flooding in spring but would, according to the Minister, make possible the "reclaiming of very large area of flooded land on the south side of the river"; provide for "the expansion of harbour facilities on the south side of the river, as and when warranted"; and open up for industrial development "one of the best potential industrial areas on the North American Continent, located between Victoria Bridge and Varennes."

Mr. Chevrier stated that these contemplated improvements were based on the interim report of a committee of engineers which he had appointed a year ago "to study the necessity of co-ordinating and planning the execution of the responsibilities of the Department of Transport and the National Harbours Board, with a view to establishing proper facilities to meet the future requirements not only of the St. Lawrence Ship Channel, the Lachine Canal and rail transportation, but also the Port of Montreal."

In outlining the salient factors of the St. Lawrence Deep Waterway, the Minister of Transport said that "from the point of view of national defence," its "immediate development is of the greatest importance." He said that "without the construction of the St. Lawrence

Deep Waterway, the large deposits of high-grade ore in Labrador cannot move economically and expeditiously to the Great Lakes steel centres; ship building and ship repair could not be increased advantageously in the relatively well-protected Great Lakes shipyards; and no relief could be afforded in times of emergency to land transportation between Montreal and the head of the Lakes."

Further enlarging upon the potential traffic which would be developed on completion of the St. Lawrence Deep Waterway, Mr. Chevrier said that "the economic studies which have been made by Government research departments indicate that a very large increase in tonnage might be expected to move through the canal system if facilities are provided. A considerable part of this tonnage would be iron ore from the Quebec-Labrador iron deposits which are now being developed. I am informed that it would not be possible to move by the existing 14-ft. canal system more than a small part of the prospective tonnage which is to be produced by this important area."

"It also seems only logical to assume that the large bulk carriers now plying between upper and lower lake ports in the carriage of grain would move down to Montreal, discharge their grain cargoes at Montreal and re-load at Seven Islands with iron ore destined for upper Lake ports. This would tend to somewhat balance the up and down movement."

COST TO CANADA \$204,000,000

Re-iterating previously announced figures, the Minister said that the estimated cost to Canada of the Great Lakes-St. Lawrence Seaway project, covered by the 1941 agreement, was \$204,000,000 which included any contemplated improvements in the Lachine Section. "We in Canada are prepared to carry out our part of the Agreement, and we are hopeful that it will be implemented at this Session of Congress", Mr. Chevrier added. "But let there be no mistake about it. This is a power and navigation scheme, not a power scheme alone as some interests would seem to indicate."

The Minister told his Montreal audience that development of the Lachine Section for both power and navigation under the overall St. Lawrence Deep Waterway project would bring about the installation of 1,200,000 h.p. right at their back door and would make accessible by water a large potential area on the south side of the river whose primary requirements would be availability of power and water transportation.

NATIONAL MANPOWER COUNCIL. The Minister of Labour, Mr. Gregg, announced on February 9 the names of the 27 members of the National Advisory Council on Manpower. The Council will be under the joint chairmanship of Arthur MacNamara, Deputy Minister of Labour, and Norman Robertson, Clerk of the Privy Council.

The membership is as follows:

Representative of Labour: Percy Bengough, President, Trades and Labour Congress, Ottawa; P. Conroy, Secretary Treasurer, Canadian Congress of Labour, Ottawa; Gerard Picard, President, Canadian and Catholic Confederation of Labour, Quebec; James B. Ward, Assistant Grand Chief Engineer and Dominion Legislative Representative of the Brotherhood of Locomotive Engineers, Secretary, Dominion Joint Legislative Committee of the Railways Transportation Brotherhoods, Ottawa.

Representative of Employers: Rhys M. Sale, President, Ford Motor Company of Canada, Windsor; Albert Deschamps, Engineer, Past President, Canadian Construction Association, Montreal; Philip Gruchy, Manager, Anglo-Newfoundland Development Company Limited, Grand Falls, Newfoundland; William Mainwaring, Vice-President, B.C. Electric, Vancouver, B.C.

Representative of Agriculture: Geo. Robertson, Secretary, Saskatchewan Wheat Pool, Regina, Sask.; J.A. Marion, Vice-President, Canadian Federation of Agriculture, President, l'Union des Cultivateurs.

Representative of Women of Canada: Mrs. P. J. Marshall, President, National Council of Women, Agincourt, Ontario; Madame Corinne de la Durantaye, of Ottawa.

Representative of Veterans of Canada: Lt. Col. E.A. Baker, Chairman, National Council of Veterans Associations in Canada, Toronto; Very Rev. Dean J.O. Anderson, Third Vice-President, Dominion Command, Canadian Legion of the B.E.S.L., Winnipeg, Manitoba, and the following:

Representatives of Divisions of Government Services: Dr. J. G. Taggart, Deputy Minister, Agriculture; Laval Fortier, Deputy Minister, Citizenship and Immigration; K.W. Taylor, Assistant Deputy Minister, Finance; Stewart Bates, Deputy Minister, Fisheries; L.H. Nicholson, Assistant Commissioner, R.C.M.P., Justice; J.G. Bisson, Chief Commissioner, Unemployment Insurance Commission, Labour; A.H. Brown, Chief Executive Officer and Solicitor, Labour; Marc Boyer, Deputy Minister, Mines and Technical Surveys; C.M. Drury, Deputy Minister, National Defence; Hugh A. Young, Deputy Minister, Resources and Development; M.W. Sharp, Assistant

Deputy Minister, Trade and Commerce; E.L.M. Burns, Deputy Minister, Veterans Affairs. Charles Stein, Under-Secretary of State. C.H. Bland, Chairman, Civil Service Commission.

Ex-officio members of the Council will be the Chairman of the Unemployment Insurance Advisory Committee, and the Chairman of the National Employment Advisory Committee.

Raymond Ranger of the Department of Labour will be the Secretary of the Council.

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"ONTARIO" TO SOUTH PACIFIC: The cruiser HMCS Ontario will visit Pearl Harbour, the Samoan and Fiji Islands, and seven of the principal ports in Australia, and New Zealand, during her forthcoming three-month training cruise to the South Pacific, Naval Headquarters announced on February 12.

At the same time, it was announced simultaneously in Canberra and Wellington that between March 29 and April 7 the Ontario will participate in exercises with units of the Royal Australian and Royal New Zealand Navies, in the general area between Cabo Island and Sydney.

The Ontario leaves her home port of Esquimalt February 26 for Pearl Harbour, where she will spend two days before proceeding to Suva, in the Fiji Islands. From there she goes to Brisbane, Australia, arriving there March 24.

Following her Brisbane visit, the Canadian cruiser will put to sea for exercises and manoeuvres with Australian and New Zealand naval units, on completion of which she will proceed to Sydney for a visit, lasting from April 6 to 16.

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EUROPEAN MILITARY CONFERENCE: The Canadian Government has accepted an invitation to send an Observer to the Conference which the French Government is convening at Paris on February 15, to discuss the creation of a European army. It was announced on February 8 that Canada will be represented by Major-General George P. Vanier, Canadian Ambassador to France, who will be assisted by political and military advisers. It is understood that other North Atlantic Treaty countries and the federal Republic of Germany have received similar invitations to attend either as full participants or observers.

The French Government's purpose in calling the Conference is to explore with other interested governments the proposals first outlined on October 24 by Premier René Pleven before the French National Assembly, suggesting the creation of a unified European army which would form part of the Atlantic integrated force under General Eisenhower's command now being built up by the North Atlantic Treaty Nations. As a signatory of the Treaty, Canada has an intimate interest in the forthcoming Conference.

INDUSTRY

AUTOMOBILES: Nearly 100,000 more new cars rolled off the assembly lines of Canadian automobile plants in 1950 than in any previous year, according to figures released by the Bureau of Statistics. The year's total was 390,836 as compared with 290,634 in 1949, the previous peak, a gain of 34 per cent.

IRON AND STEEL: Canadian production of pig iron and steel reached all-time peak totals in the calendar year 1950, according to the Bureau of Statistics. Output of ferro-alloys was at a lower level. The year's output of pig iron amounted to 2,309,732 tons as compared with 2,154,352 in the preceding year, and the production of steel ingots and castings totalled 3,384,131 tons against 3,186,930. Production of ferro-alloys amounted to 181,575 tons compared with 211,603.

CARLOADINGS: Carloadings on Canadian railways for the week ending February 5 totalled 72,157 cars as compared with 67,710 in the same week last year. Total loadings for the first five weeks of the year were 367,524 cars -- a new record for the period -- as against 315,959 in the like period of 1949.

MARGARINE: Production of margarine for the year 1950 was 27 per cent higher than in 1949, amounting to 94,032,000 pounds as compared with 73,958,000.

PRIZE-WINNING ARCTIC ESSAY: An R.C.A.F. officer, Flight Lieutenant Keith R. Greenaway, 34, of Woodville, Ontario, has been awarded the President's Prize for the best scientific paper presented to the Royal Meteorological Society, Canadian Branch, it was announced on February 14.

F/L Greenaway, the R.C.A.F.'s top Arctic navigation expert, has been working in the Arctic Research division of the Defence Research Board for the last two years. His prize-winning paper described his observations and conclusions of weather conditions in the Arctic ocean and archipelego.

As commander of the R.C.A.F. Loran Flight-test section, based at Edmonton and in Alaska, F/L Greenaway flew throughout the polar area with a U.S.A.F. B-29 research squadron for more than two years after the war. He was a crew member of the first U.S. military aircraft to fly over the North Pole.

Born at Woodville, Ontario, and educated in Toronto, F/L Greenaway is the author of numerous books and papers dealing with Arctic navigation and is presently preparing a handbook entitled "Arctic Air Navigation" which will become standard with the R.C.A.F.

NATIONAL NOTES

The R.C.A.F. is offering commissioned rank to ex-service pilots and navigators under 35 years of age, it has been announced by Air Force Headquarters. The former age limit for aircrew enlistees was under 30. Preference will be given to former instructors and flyers with operational experience.

In the House of Commons this week a British Columbia Liberal member, E.T. Applewhaite, sought assurance that Canada will work for protection of Pacific coast fisheries in any negotiations of a Japanese peace treaty. He asked whether Canada will go along with the U.S. in seeking guarantees against revival of ruinous pre-war Japanese activities.

A sharp extension of previous restrictions on the use of steel was ordered by the Minister of Trade and Commerce, Mr. Howe, on February 9, banning the sale and use of steel, without government permit, on virtually every kind of civilian construction, outside of homes and hospitals and the oil industry.

While the Minister of National Defence, Mr. Claxton, was appealing on February 9 in Canada for blood donations to the Canadian Red Cross, hundreds of Canadian soldiers now training at Fort Lewis, Washington, were actually giving their blood to the American Red Cross, the Department of National Defence has announced. It's earmarked for Korea.

SIR ROBERT SINCLAIR TO OPEN FAIR: Sir Robert Sinclair, K.C.B., K.B.E., immediate Past President of the Federation of British Industries, and Chairman of the Imperial Tobacco Company, Bristol, England, will open the Fourth Canadian International Trade Fair, to be held May 28 to June 8 in Toronto.

Sir Robert's acceptance of the Canadian Government's invitation is deeply appreciated, the Minister of Trade and Commerce, Mr. Howe, said in making the announcement on February 14. The first Canadian International Trade Fair was opened by His Excellency the Governor General, the second by Secretary of Commerce Sawyer of the United States, and the third by His Excellency Hubert Guérin, the French Ambassador to Canada.

"The splendid response of British industry has been a highlight of each of the Trade Fairs, and it is particularly fitting, and gratifying, that the Fourth Canadian International Trade Fair is to be opened by a British businessman," Mr. Howe said. "Sir Robert has a keen appreciation of the importance of developing a better balanced trade between Canada and the United Kingdom, and he has always had a warm affection for this country."

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NEW DEPARTMENT: The House of Commons on February 13 agreed to the motion of the Prime Minister, Mr. St. Laurent that the House go into committee at the next sitting to consider the following resolution:

"That it is expedient to present a bill (a) to constitute a Department of Defence Production, to be presided over by a Minister, with appropriate provision for the employment of officers, clerks and employees; (b) to provide that the Minister shall take steps to mobilize, conserve, and co-ordinate all economic and industrial facilities in respect of defence supplies and defence projects, and in connection therewith, to buy or otherwise acquire defence supplies and to construct defence projects, and for these purposes to confer appropriate powers on the Minister and to provide for the establishment of a Defence Production Board revolving fund; and (c) to provide further that the Governor in Council may do and authorize such acts and things, and make from time to time such orders and regulations as he deems necessary to control and regulate the production, processing, distribution, acquisition, disposition, or use of materials, or the supply or use of services deemed essential for defence purposes."

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THRONE SPEECH DEBATE: The Debate on the Address in Reply to the Speech from the Throne was still proceeding in Parliament on Friday, February 16.

Following the earlier rejection of two C.C.F. sub-amendments, one criticizing the Government for having "failed" to use price controls and subsidies, and the other criticizing the Government for having supported at the United Nations the United States resolution declaring Red China an aggressor in Korea, a further sub-amendment was introduced on February 13 by Mr. Solon Low, Social Credit Leader.

Mr. Low's sub-amendment would add to the Progressive Conservative amendment the following clause;

"To ensure that a complete programme of preparedness including compulsory training in the reserve forces for home defence be executed with the greatest possible degree of equality of sacrifice and service."

* * * *

STORE SALES SET RECORD: Canadians spent more money in retail stores in December than in any other month on record, the month's total rising nine per cent over December, 1949. Sales for the full year 1950 advanced seven per cent over the preceding year, the December increase boosting the cumulative gain from six per cent for the first 11 months. In December there were increased sales in 18 out of 21 trades surveyed, and in the year there were increases in 16 and declines in five.

More vehicle dealers had by far the largest sales increase both in the month and year, December sales rising 45 per cent and the year's total by 35 per cent. Shoe store sales rose 15 per cent in the month and one per cent in the year. December sales of garages and filling stations increased 12 per cent and were 13 per cent higher in the year, and lumber and building materials sales rose 12 per cent in December and six per cent in the year.

During the calendar year sales of coal and wood dealers rose 15 per cent over the preceding year, appliance and radio stores 10 per cent. In other trades the gains were more moderate, ranging from fractional gains in restaurant and drug sales to six per cent in food stores. The largest decrease of seven per cent was recorded in women's clothing. Men's clothing was also down five per cent, and family clothing stores one per cent. Jewellery store sales declined two per cent and hardware one per cent.

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C.O.T.C. AT MONTREAL COLLEGE: Formation of a new contingent of the Canadian Officers Training Corps at Sir George Williams College, Montreal, was announced on February 14 by the Minister of National Defence, Mr. Claxton, and Mr. Kenneth E. Norris, MA, PhD, Principal of the College. The Sir George Williams Contingent becomes the twenty-seventh organized at Canadian universities and colleges from coast to coast since the COTC plan for training new army officers was re-instituted following the war.

POPULATION 13,994,000: Canada's population was just under 14,000,000 on December 1 last, according to the quarterly estimate released Feb. 13 by the Bureau of Statistics. The December 1 estimate for the 10 provinces was 13,994,000, a rise of 73,000 in the three months from September 1, 149,000 in the six months since June 1, and a twelve-month increase of 287,000.

At the same rate of increase as during the three months preceding December 1, Canada's population crossed the 14,000,000-mark well before the middle of December.

Earlier estimates of the population by the Bureau were as follows: December 1, 1949, 13,707,000; March 1, 1950, 13,766,000; June 1, 1950, 13,845,000; and September 1, 1950, 13,921,000.

EMPLOYMENT AT NEW HIGH: Industrial employment, weekly payrolls and average weekly wages and salaries rose to new peak levels at the beginning of December. The employment index, which showed its ninth consecutive increase, stood at 212.5, a gain of 0.7 per cent above the November index, and 5.3 per cent higher than at December 1, 1949. The payrolls index was 252.4 as against 249.0 in November and 224.7 a year earlier; and weekly wages and salaries totalled \$46.72 compared with \$46.42 in November and \$43.81 in December, 1949. Among the provinces, Prince Edward Island, Saskatchewan and British Columbia showed moderate curtailment.



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WEEK'S EVENTS IN REVIEW

\$5 BILLION DEFENCE PROGRAMME: The Minister of National Defence, Mr. Claxton, presented a three-year, five billion dollar defence programme for Canada in the House of Commons on February 5.

The following summary of this programme was contained in the Minister's speech, which was made during the Debate on the Address in Reply to the Speech from the Throne:

"The programme envisaged by the Government calls for its completion within three years but the job is intended to be carried through just as fast as it can be done.

"The programme has fifteen main points.

"In the Navy:--

- "1. Nearly 100 ships and many small craft either new or refitted and newly armed.
- "2. Permanent seaward defences of vital harbours.
- "3. The shipbuilding industry geared to produce additional ships rapidly.
- "4. Administrative and training staffs, depots and stores, for all-out mobilization.

"In the Army:--

- "5. An airborne striking force, anti-aircraft artillery and other units for the defence of Canada against direct attack.
- "6. Part of the active army with integrated force under General Eisenhower.

"7. Part of the Canadian forces continuing in the Far East as long as that is necessary.

"8. The administrative staff, training establishments, depots, stores, clothing and equipment to provide for rapid mobilization in a total effort.

"9. Replacement of equipment on issue to active or reserve forces, or in stores, by latest type United States equipment purchased from the United States or made in Canada and our industry in Canada tooled up to make a considerable part of this equipment.

"In the Air Force:--

- "10. Forty regular and reserve squadrons with more than 3,000 aircraft additional to those we now have of the types suitable for the purposes intended.
- "11. Radar equipment manned and located to provide radar defence integrated with a corresponding United States chain of stations, connected by the necessary communication system and backed by fighters.
- "12. In Europe an air division of 11 fighter squadrons (included in the 40).
- "13. Airfields, men and equipment to train large numbers of aircrew for ourselves and other countries.

CAYUGA IN ACTION: On Board HMCS Cayuga, off the West Coast of Korea, February 1 -- This Canadian destroyer is part of a United Nations naval force which for the past few days has been making free use of the harbour of Inchon in order to harass communist troops in the Red-held city.

The United States cruiser St. Paul, the British cruiser Ceylon and the Cayuga (Capt. J.V. Brock, of Winnipeg and Vancouver) have been furnishing bombardment support for U.N. ground forces advancing on Inchon, the port city for the former South Korean capital of Seoul.

The U.N. ships have met with some opposition but have dealt with it swiftly and effectively. Just before 5 p.m. on a recent afternoon several batteries on the Inchon shoreline laid down a heavy fire on the Cayuga, which was anchored in the harbour.

It was estimated that the enemy had six guns in operation and they were dropping shells as close as 100 yards from the ship. The Cayuga immediately returned the fire and weighed anchor so she could bring all her guns to bear.

CONTINUED FOR 10 MINUTES

The action continued for 10 minutes. During this time the Cayuga slammed 65 rounds of four-inch high-explosive ammunition at the red shore batteries. The enemy then ceased firing, and aircraft reconnaissance reported that direct hits had been scored on the gun emplacements by the Canadian destroyer.

"The enemy's first shells came pretty close," said Lieut. William Kidd, of Vancouver, who was officer of the watch on board the Cayuga when the communists opened fire. "They had our range but were a bit out for line"

Able Seaman Donald Paull, of Rosetown, Sask., standing by his 40 mm. gun, was the first one to see the enemy guns flash from the direction of Inchon. "A little too close for comfort," was the way he described the shells splashing near the ship as the Cayuga went into action.

Apart from the occasional exchange with enemy batteries, the United Nations warships have been hitting enemy troops concentrations, stores dumps and other targets spotted for them by Royal Navy pilots from the aircraft carrier HMS Theseus.

Inchon harbour presents an incongruous sight. Though the town is held by the Communists, U.N. naval ships ride at anchor just a few miles from the beach.

LT.-GEN. FOULKES' APPOINTMENT: The Minister of National Defence, Mr. Claxton, announced on February 1 a major change in top level organization of the armed services of Canada. Lieutenant-General Charles Foulkes is appointed full time Chairman of the Chiefs of Staff Committee and relinquishes his appointment as Chief of the General Staff of the Canadian Army. General Foulkes has been Chairman of the Chiefs of Staff Committee, as well as Chief of the General Staff, during the last five years.

General Foulkes will be replaced as Chief of the General Staff by Lieutenant-General Guy Simonds, present head of the National Defence College.

General Simonds in turn would be replaced as head of the National Defence College by Air Vice Marshal F.R. Miller, at present Air Member for Operations and Training at National Defence Headquarters.

Mr. Claxton said that the reason for making the change was the increase in defence activities particularly those having to do with co-operation with other countries under the North Atlantic Treaty which was requiring more and more of General Foulkes' time.

In addition, the work of preparing fully correlated defence plans and ensuring the utmost co-ordination and co-operation between the Services now required the services of a Chairman not an integral part of one of the forces nor particularly responsible for its administration.

Terms of reference of General Foulkes were covered in an Order in Council:

"Subject to the regulations and under the direction of the Minister, he shall:

- (a) act as Chairman of a committee composed of the Chiefs of Staff and such other members as the Minister may designate;
- (b) co-ordinate the operations and training of the Canadian Forces;
- (c) perform such other duties as the Minister may direct."

* * * *

"RED INDIANS" TAKE TO AIR: Pilots of the RCAF's 421 Red Indian Fighter Squadron, based at Odiham, in southern England, took to the air last week for the first time since arriving in the United Kingdom, Air Force Headquarters has been advised.

Information received at AFHQ, showed that six pilots flew Vampire jets on sector reconnaissance flights to familiarize themselves with British flying conditions and with the surrounding countryside.

DOMESTIC EXPORTS AT PEACETIME HIGH

EXPORTS TO U.S. UP 34 P.C. With a sharp increase in the value of shipments to the United States and a substantial gain to Latin America offsetting decreases to the United Kingdom and all other main geographical areas, Canada's domestic exports in 1950 reached a new peacetime high value, rising four per cent over the 1949 value to exceed \$3,000,000,000 for the second time since 1945.

Total exports to all countries in the year were valued at \$3,118,400,000 as compared to \$2,993,000,000 and the previous peacetime peak value of \$3,075,400,000 in 1948. As prices were generally appreciably higher in 1950, however, there was no corresponding gain in overall value of exports. Increases in value were recorded in every month of the year except January, February and April. In December, the value of exports was up moderately to \$289,900,000 from \$285,600,000, due to enlarged exports to the United States that outweighed general declines to other areas.

65 P.C. OF TOTAL VALUES

Domestic exports to the United States in 1950 climbed 34 per cent in value to \$2,020,988,000 from \$1,503,459,000 in 1949, and accounted for 65 per cent of the total value of exports to all countries as against 50 per cent the previous year, and an average of 38 per cent in the interwar period. In December the value of shipments across the border rose to \$191,510,000 as compared to \$159,766,000 a year earlier, a gain of 20 per cent. Gains over 1949 were also recorded in each of the other 11 months.

The value of exports to the United States in each of the nine main commodity groups was higher last year than in 1949. Exceptionally strong demands for raw materials were a feature of this trade. Many commodities were available in larger amounts for export to the United States because of reduced shipments overseas. The wood and paper group made the largest contribution to the overall increase, rising to \$1,016,396,000 from \$709,841,000. Much larger exports of lumber and further increases in pulp and paper accounted for most of this rise.

Next in importance were non-ferrous metals, which showed general increases in most metals shipped to the United States, the total value rising from \$196,892,000 to \$267,043,000. The animal products group rose to \$253,333,000 as compared to \$200,566,000 and was featured by larger exports of beef cattle, beef and fish. The iron and its products group rose to \$136,445,000 as against \$108,735,000; chemicals, to \$58,499,000 from \$33,359,000; non-metallic minerals, to \$73,983,000 compared to \$52,249,000; fibres and textiles, to \$18,343,000 from \$11,180,000. Due to a substantial December gain, the agricultural and vegetable products group rose to \$176,937,000 as against \$170,637,000, while the miscellaneous group was slightly higher at \$20,009,000.

EXPORTS TO U.K. LOWER

Exports to the United Kingdom were lower in each month of 1950 than in 1949, the total value for the year declining to \$469,910,000 from \$704,956,000. In December, exports were valued at \$39,555,000 as compared to \$49,884,000. The year's totals for commodity groups show reduced values for all except non-metallic minerals and chemicals, two of the minor groups in value.

Exports of agricultural and vegetable products to the United Kingdom were down to \$228,795,000 from \$340,980,000 in 1949, due to reduced shipments of wheat and flour. Non-ferrous metals declined to \$117,401,000 from \$147,892,000; the animal product group fell to \$53,346,000 from \$72,422,000, with a sharp drop in exports of eggs; wood and paper to \$40,687,000 from \$84,770,000; iron and products to \$10,100,000 from \$22,106,000; and the miscellaneous group to \$2,923,000 from \$22,261,000 in 1949 when there were large deliveries of aircraft. Non-metallic minerals advanced to \$9,527,000 as compared to \$7,571,000 and chemicals slightly to \$5,993,000.

Aggregate domestic exports to the rest of the Commonwealth countries fell off 40 per cent in value in the year to \$185,200,000 from \$310,100,000 in 1949.

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EXPORT PERMIT REQUIREMENTS. Effective February 1, 1951, waste paper and horse hair will be added to the list of items for which a permit will be required for exportation to all countries, in order to control abnormal movements of such items. Cobalt and tungsten and fence posts of iron and steel will be added to the list for supply reasons.

The description of non-ferrous metal items has been widened and clarified for adminis-

trative purposes.

Eleven tariff items will be added to the list of items for which permits will be required for exportation to all countries other than the United States (Schedule II), in order to bring the list into line with that of the United States.

These changes have been made by the Department of Trade and Commerce under Order in Council 458.

JOB'S FOR GRADUATES: With the increasing demand for technical personnel, due largely to expanding defence production, it is expected that little difficulty will be experienced in finding employment for the 1951 university graduating class, it was announced on February 1 by the Minister of Labour, Mr. Gregg.

However, Mr. Gregg pointed out, there were still the problems involved in bringing employer and employee together, in some cases widely separated in different parts of the country. The full attention of officials of the Executive and Professional Division of the National Employment Service and the co-operation of all concerned would be as necessary this year as in past years.

The Minister explained that, as in other years, a detailed programme for the placement of 1951 graduates had been formulated. This programme began with a questionnaire last December to employers who were considered to be interested in hiring graduates, or undergraduates.

PERMANENT PLACEMENTS

Mr. Gregg said that for the graduates, of course, it was a question of arranging permanent placements, while for the undergraduates it meant finding summer positions on a temporary nature where they would be of service to their employers and at the same time gain practical knowledge to assist them better to complete their studies.

The Executive and Professional Division of the National Employment Service now maintains full time Employment Offices throughout the whole academic year at the following universities: Alberta, Saskatchewan, Manitoba, Toronto (for undergraduates only), Montreal, Laval, and Sir George Williams College. At other universities, N. E. S. officers work in co-operation with university staffs.

Of the total number of university students expected to graduate this spring about 2,450 are in Engineering, nearly 4,000 in Arts and Science courses leading to the degrees of B.A. or B.Sc., 860 in Commerce or Business Administration, 500 in Agriculture, 1,140 in Education, 900 in Medicine, and 500 in Law. The remainder are in various courses such as: institutional management, dentistry, nursing, optometry, pharmacy, music, journalism, interior design, physical and health education, occupational and physical therapy, social work, theology, philosophy, architecture, household science, child study, and other specialist courses.

Estimates, based on present registrations, of the total number of university students expected to graduate in the next four years are as follows:

1951	1952	1953	1954
13,000	11,500	13,300	10,000

SECURITY SALES TO U.S. DOWN: The inflow of capital arising out of Canada's international security transactions, after several months of heavy buying by American investors, returned in November to a level not far above normal for recent years.

In transactions with the United States the sales balance declined to \$3,500,000 as compared with \$20,400,000 in October, \$147,100,000 in September, and \$54,100,000 in August. Net sales of federal Government bonds were small as repurchases were comparatively large, while repurchases of Canadian common and preference stocks exceeded sales. Net sales of all types of securities to the United States in the first 11 months of 1950 aggregated \$255,700,000, considerably larger than the 12-month totals for any year on record and comparing with \$16,000,000 for the year 1949.

Transactions with the United Kingdom in November were lighter than in the two previous months and resulted in net purchases of \$1,300,000, repurchases of Canadian stocks remaining the main feature of trade. The 11-month cumulative sales totalled \$4,594,000 and purchases \$26,820,000, producing a net purchase balance of \$22,226,000.

There was a decline in the volume of trade with other countries in the month, but the net sales balance of \$1,200,000 was \$100,000 more than in October.

Sales to all countries in November amounted to \$40,000,000 compared with \$63,700,000 in October, and \$23,000,000 in November, 1949, while purchases were valued at \$36,600,000 as against \$46,400,000 and \$19,800,000, respectively. The 11-month cumulative net sales reached \$239,891,000 as compared with \$2,000,000 in the corresponding period of 1949.

* * * *

LIVING COSTS STILL RISING. The Bureau of Statistics urban cost-of-living index advanced from 171.1 to 172.5 between December 1, 1950 and January 2, 1951. All group indexes, except rents registered increases between these dates.

Foods advanced 1.4 points to 220.2, as a result of higher prices for meats, butter, vegetables and fruits. These increases were sufficient to overcome a sharp seasonal drop in eggs of nearly 11 cents per dozen. The clothing index moved from 184.9 to 187.1, following higher prices concentrated mainly in men's wear. The largest group index increase was shown for home furnishings and services, which rose 3.4 points to 179.8. The more important advances in this group were registered by furniture, carpets, blankets, laundry and telephone rates.

Fuel and light moved up 0.8 points to 141.5, largely owing to higher prices for coal. The index of miscellaneous items increased from 134.1 to 135.8, influenced by higher quotations for health care, barbers' fees, gasoline, street car fares and newspapers. Rents were unchanged at 136.4.

GOVERNMENT POLICY STATEMENTS ON WORLD AFFAIRS

THRONE SPEECH DEBATE: The Prime Minister, Mr. St. Laurent, and the Secretary of State for External Affairs, Mr. Pearson, made statements on government policy in respect of international affairs in the opening debate in the House of Commons last week.

Following the moving and seconding of the Address in Reply to the Speech from the Throne on January 31, the Progressive Conservative Leader, Mr. George Drew, on February 1, submitted a three-point amendment. The Prime Minister followed in debate. Then Mr. M.J. Coldwell, Leader of the C.C.F. Party, who submitted a sub-amendment, and Mr. Solon E. Low, Social Credit Leader, concluded for that day. Mr. Pearson spoke on February 2.

AMENDMENT, SUB-AMENDMENT

The amendment and sub-amendment introduced by Mr. Drew and Mr. Coldwell as representing the views of their parties were, respectively:

Mr. Drew:

"We regret that Your Excellency's advisers have failed

- (1) to give this nation leadership in the face of the present grave danger; and
- (2) to bring into being forces necessary to enable Canada to defend itself and discharge its international obligations; and
- (3) to take effective measures to combat inflation and the rapidly rising cost of living."

Mr. Coldwell:

"We further regret that while Your Excellency's advisers have generally followed a constructive course in relation to the Korean dispute, they have in relation to the resolution branding China as an aggressor supported a course which is premature and unwise at this particular moment, and which should not have been pursued until the methods of peaceful negotiation had been completely exhausted."

The following is the excerpt from the address of the Prime Minister dealing with the views that have been expressed on selective service in the present emergency:

"To some sincere, patriotic Canadians it would appear that the first and most important thing to do would be to have in force in this country some form of selective service, some form of conscription of manpower, to bring large numbers of armed forces in being and to place them in the field ready to meet an enemy. There are others who believe with equal sincerity, that to resort, at the present time, to compulsory military service would be disastrous to the Canadian economy.

"The view of the Government--and it is my own--does not coincide with either of those extreme points of view. My attitude in this respect has been, I realize, a source of some uneasiness to some good Canadians throughout

this country because of my race, the part of Canada from which I come, my religious beliefs, and so forth. But I think I can assure them that they are quite mistaken, and that is something those who are not my friends or supporters in my own native Province have long realized.

"I do not know how many hon. members had brought to their attention an article which was published in *Le Devoir* on October 24, 1950, in which their readers were being warned against me because of the facts to which this article referred. The writer recalled that:

'Conscription is an issue one does not broach without distaste nor even without disgust. For a quarter of a century, Quebec liberals exploited it before making it a part of their programme. Conservatives used it as an instrument of hatred to set other Provinces against Quebec where so-called equality of sacrifice was not accepted.'

RECORD OF PREVIOUS YEARS

"That is underscored in the article. Then it went on:

'The French Canadian Liberal leaders of 1939 had an anti-conscription record. Lapointe and Cardin had formally committed themselves hundreds of times in public. Mr. King had had to give them pledges. Today, the situation is altogether different. Mr. Louis St. Laurent was elected in 1942 without concealing his opinions. He has not changed since. His convictions are all the more dangerous for being more honest and generally more sincere. Mr. St. Laurent will resist a conscription measure only so long as he believes it will be inadvisable or ineffective. In principle he has no objection to it.'

"Then they go on and say:

'His policy leads straight in that direction.'

"Well, I was not at all offended at the terms of that article. So far as I am concerned, this is not a matter which can or should be decided on sentimental grounds. It is one which should be decided on its merits, and strictly on its merits, and with regard to what will make for the efficiency and the effectiveness of our contribution to the joint efforts that have to be put forth by the twelve nations banded together.

"Though I do not go along with *Le Devoir*, I do not go along either with the *Globe and Mail*. The *Globe and Mail* on January 31, only yesterday, said that what was wanted was a declaration that Parliament would be asked to give approval to a plan for national selective service. It said:

'Selective service probably will involve conscription for the fighting forces. If it does there will be a national sense of equity.'

"Then, it goes on:

'Through two wars the people of Quebec, and on their account Roman Catholics generally, were blamed for the rejection of military conscription.'

"It continues:

'Religion can no longer be made the excuse for failing to do what must be done, and sharing as equitably as possible the burdens of the doing. Foremost among the organized foes of the communist conquest is the Roman Catholic Church.'

"This is not a matter of religion, nor a matter to be decided on the basis of religion, and I deprecate appeals of that kind for or against national selective service from any quarter. Let us be men, and let us face realities and do what we think will be the most efficient and the most effective as our contribution to the upbuilding of those international forces. It will be for us to determine what is the total volume of the effort this nation can contribute to this pool of combined forces, and it will be for us and for our partners together to determine what is the best way in which each nation can make its most effective contribution to that pool of joint strength.

WESTERN EUROPE'S NEED

"We know that the cost to us of maintaining one man on European soil, as part of the integrated army, is much more than the cost to the Europeans themselves of maintaining and equipping one man there. And we know that, in the production of equipment, we can get for every dollar expended as much as can be got from any dollar expended anywhere in the world, and perhaps more. We believe, as General Eisenhower is reported to have submitted in his report to Congress today, that the big need of Western Europe at this time is for arms rather than for troops.

"For weeks we have been discussing the plans that would be put before you for your approval at this Session of Parliament, and we have been endeavouring to obtain the best possible information as to the most effective way in which our contribution can be made. So far there has been brought to my attention nothing that would indicate that the institution of national selective service at this time would be beneficial. On the contrary, the information we have obtained is that it would hamper what is being done at this moment.

"Now, that does not mean that the situation cannot change, and it does not mean that if and when it does change there will not be changes in the manner in which our resources will be contributed to this pool of international strength. But those changes will not be recommended by this Government on any sentimental grounds because of any appeals on a racial or religious basis, but on their actual effective value to the joint strength of the combined forces of the North Atlantic Alliance....

"I still believe that the Canadian public will wish us to do what is required so that we may still have grounds for confident hopes that the necessity of waging and winning a third world war will not be forced up this generation."

The following is an excerpt from that portion of Mr. Low's speech dealing with defence policy:

"I join with the Prime Minister in the hope that the twelve Atlantic nations will make all speed toward the integration of their strength. I share with him also the belief that if they do, and if we have faith in one another, in our combined strength we can put an end to aggression."

After reaffirming faith in the United Nations, Mr. Pearson touched upon the dangers which, he said, overhung Indo-China, south-east Asia, Persia, the Middle East and Yugoslavia, and proceeded in part:

MR. PEARSON'S ADDRESS

"But the danger to the free world, Mr. Speaker, is still greatest in Western Europe itself. Recognition of that fact was the reason for the signing of the North Atlantic Pact in the spring of 1949. Since that time progress has been made in increasing the military strength of the countries associated in that Pact, but this progress although it is being accelerated, has not been swift enough to remove anxiety. Western Europe is still relatively weak and still stands open to Soviet conquest. It is a glittering prize. Its capture would put the Soviet Union in possession not only of the source and centre of western civilization, but also of industrial capacity which would enable them to rival the productive resources of the whole of the western hemisphere. We over here would then be in a desperate position indeed.

"It is therefore of the utmost importance that our involvement in other areas of the world should not prevent us from recognizing that Western Europe is the key point for the defence of the whole of the free world--which includes, incidentally, India and Pakistan as well as Canada and the United States; and we should co-operate with our allies in the North Atlantic Treaty in building up forces large enough to deter the Soviet Union from launching an attack in that area....

"The present state of the European continent is, as we all know, one of tragic division. The lines which Soviet aggressive policies have drawn across the continent run contrary to the political, cultural and economic interests of the European peoples. This unnatural division, which may hold within it the seeds of future conflict, could be ended tomorrow if the Soviet Government sincerely wished to bring it to an end.

"The three western occupying powers in Germany--the United Kingdom, the United States, and France--have now received from the Soviet

Government proposals for a four-power meeting on Germany. I do not intend on this occasion to discuss the character of the Soviet Invitation, or the terms of the replies which the western occupying powers have returned to the Soviet Government. Suffice it to say that if a satisfactory basis could be found for their talks--and it has not been found yet--the Canadian Government, and, I am sure, the Canadian Parliament, would welcome such a meeting.

"On the other hand I think it would be a very great mistake indeed to build great and optimistic hopes on the outcome of any such meeting. The truculence and falsehoods contained in the cominform declaration on Germany issued at Prague not long ago are not a foundation upon which any genuine negotiation can be founded. Nevertheless we believe that no occasion should be neglected to attempt to achieve an enduring and honourable settlement of differences with the Soviet Union...."

These Western European dangers, he said, should never be forgotten in determining Far Eastern policy. A new and great tidal movement of nationalism was sweeping Asia. It was something deeper and more lasting than Communism. In framing our policies we must try to avoid offending the legitimate national and social aspirations of Asian peoples, or their desires to have a chief part in the determination of Asian affairs. Co-operation with such forces might in the long run become as important for the defence of freedom as sending an army to Europe in the present emergency.

CANADA AND THE U. S.

Mr. Pearson enlarged at considerable length upon views he had expressed previously at the United Nations on the subjects of termination of the war in Korea and Chinese aggression. He touched again upon some differences between Canadian and United States viewpoints in respect of Korea and the approach to the desired cease-fire, but emphasized that on main principles the Canadian and United States Delegations saw eye to eye.

Having made certain that the work of mediation and conciliation could go on after the passage of the United States resolution declaring communist China an aggressor; and having ensured that the resolution did not give anybody any authority to take any action which he did not already possess, Canada had voted for the resolution at the United Nations, and, he thought, was right in doing so. He went on:

"But we have made our view abundantly clear that this resolution does not give anyone on one side any shadow of excuse for rash and adventurous courses, or anyone on the other any shadow of excuse for refusing to discuss an ending of hostilities or a peaceful solution of this problem. Why should it? It was said at Lake Success by the Indian Delegate, and it was said yesterday by the hon. member for Rosetown-Biggan (Mr. Coldwell): 'You have

now branded them as aggressors. How can you expect them to talk to you?' Well, they have been branding us in the United Nations as aggressors steadily for the last two or three months, and they have shown no reluctance to talk with us on their terms, or any feeling that we should not talk with them because they have called us aggressors in very rude and uncivilized tones. So I am optimistic, and I hope my optimism is justified, Mr. Speaker, that the passing of our resolution will not be followed by the catastrophic consequences that some people sincerely believe it will.

"We do not believe that by passing this resolution we are slamming the door to subsequent negotiation, or that the Government in Peking would have any justification for interpreting our action in this way. I hope, Mr. Speaker, and I expressed this hope in my last statement at the United Nations before I came back to Ottawa, that whatever happened to this resolution--and it is now part of the law of the United Nations--the work of cease-fire, discussion and peaceful settlement, through the machinery provided in the resolution, will proceed with a view to ending the war in Korea and removing the causes of war in other areas of Asia."

The C.C.F. sub-amendment was defeated on February 6 in an unrecorded vote.

* * * *

RCAF RESCUE OPERATIONS: The RCAF's Canada-wide search-and-rescue organization carried out 252 operations during 1950, it was announced on February 5 by Air Force Headquarters. In addition to this total, representing cases in which Air Force planes or rescue launches were directly involved, RCAF rescue centres across the country co-ordinated the activities of other agencies or otherwise lent assistance in numerous other instances.

RCAF aircraft flew more than 4667 hours on search and rescue work during the year, adding up to a total of nearly 200 days spent in the air. Majority of the operations carried out by the Air Force were mercy flights, totalling 137. Operations concerned with aircraft in distress accounted for 57 cases, while 31 revolved around marine craft requiring aid. The remainder, listed under "miscellaneous", embraced numerous types of operations.

* * * *

SOFTBALL ON SNOWSHOES: Away up in Labrador you don't let a little thing like sub-zero weather and howling winds keep you from your favourite sport...even if it is softball. When the USAF and RCAF servicemen at Goose Bay, Labrador, decided to play a challenge softball game, recently, they just pulled on an extra set of red flannels, strapped on their snowshoes, and cleared a couple of tons of snow off their baseball diamond.

\$5 BILLION DEFENCE PROGRAMME

"14. Industry in a position to produce large numbers of the latest types of aircraft needed by the forces of ourselves and others.

"15. Production of quantities of equipment for NATO and training of large numbers of officers to strengthen our common defence by assisting our allies....

"This whole programme involves an increase in the number of service and civilian personnel employed full time on defence from the present figure of about 90,000 to a total of about 148,000.

"That is the programme, a large one for a country of 14 million people still involved in developing its natural resources and also facing the task of maintaining essential services over an area of 3½ million square miles.

"Should it be required, there will be the capacity to expand further rapidly because of the emphasis on training establishments, depots and other essential services....

"It is not usual under our system to announce the figures of any estimates before the estimates are tabled by the Minister of Finance, which is usually done after the conclusion of the Debate on the Address. But this is not a usual time.

DEFENCE EXPENDITURES

"Defence expenditures four years ago were \$194 million. This year we appropriated in the original estimate \$425 million, and then added in the supplementary estimates \$142,200,000, making a total appropriated this year of \$567 million, which we expect to spend. Then there was in addition part of the \$300 million voted for mutual aid. Next year defence, including mutual aid, will require about \$1 600 million.

"The three-year programme outlined will involve the expenditure, in all matters of the defence of Canada, and our participation in the common effort, of over \$5 billions.

"One point I want to emphasize. The programme and the plans I have outlined are all subject to change as the world situation changes...."

The following are additional excerpts from the Minister's statement on defence policy:

"Many times it has been said that war is not inevitable. Neither is peace certain. This large expenditure, almost four times as great as the expenditure voted last year is felt to be justified as the increased premium to ensure peace. The Canadian Government's view is that the chance of maintaining peace will increase as the forces opposed to aggression become stronger. That belief is shared by our eleven allies under the North Atlantic Treaty....

"The object of our foreign policy is to preserve peace and to build up the broad foundations of security which are essential to the prosperity, the welfare and the happiness of our own and other people. In dealing with foreign or defence policy it must never be

forgotten that the ultimate object of all our efforts is human welfare. In so far as we can do so consistently with national and international security, we must press forward with everything that will build up the good society here and everywhere else.

"The objectives of our national defence are simple and clear. They are: (1) The immediate defence of Canada and North America from direct attack; (2) the implementation of any undertakings made by Canada under the charter of the United Nations, or under the North Atlantic Treaty or other agreement for collective security; (3) the organization to build up our strength in a total war....

"As has been said many times, if a war should come, the Government believes that the best place to defend Canada would be as far away from our shores as possible. Consequently, everything we do for the collective defence is done for the defence of Canada herself. But to make that possible, we must do what is feasible to make this continent secure from attack.

"Russian medium bombers of the B-29 type could reach pretty well any part of North America on a one-way trip and, under certain conditions, reach some parts of North America and return. This being the case, it is quite likely that in a general war Russia would launch bombing attacks against North America either with atomic or conventional weapons.

"There is no way of making a continent of seven million square miles impregnable or impenetrable with a kind of aerial Maginot line. Radar and fighters combined in a heroic team, won the battle of Britain; but despite the heavy concentration of air defences in that small area, many enemy aircraft got through.

CO-OPERATION WITH U. S.

"To meet the possibility of air attack, our services are working in close co-operation with the United States. A screen of stations with the latest and most powerful radar apparatus is being built, connected with a network of communications and backed up by squadrons of fighters. The American and Canadian chains will be linked together to form a single system, of which about one-quarter will be in Canada.

"If the question is asked why this radar and fighter defence is not already fully operational, it is because the radar, the type of communications selected and the aircraft--the F-86 Sabre and the CF-100 Canuck--have only recently been developed and have not yet been produced in the numbers required. As fast as aircraft can be produced, regular and auxiliary fighter squadrons will be manned and equipped to war strength. In the interim, the R.C.A.F. has mobile radar sets and Vampire and Mustang fighters.

"To supplement these air defences the army has a large stock of heavy anti-aircraft guns to be manned by active and reserve force personnel.

"In addition to attack by air, it might be possible for an enemy to land airborne troops by a surprise attack on an airfield or by parachute. To meet this possibility the Canadian army has a specially-trained airborne brigade group. For much the same purpose the United States has similar but larger formations....

The Minister then went on to speak briefly of the roles of the reserve forces, the R.C.-M.P. and other police; the navy, responsible for protection of coastal sea lanes and shipping, and the work of civil defence.

* * * *

RADIO OPERATION ACCORD WITH U.S.: An agreement between Canada and the United States of America on the operation of certain types of radio transmitters and equipment was signed on February 8 in Ottawa by the Minister of Transport, Mr. Chevrier, and Mr. Stanley Woodward, United States Ambassador in Ottawa. It will not come into force until it has been ratified by the legislatures of the two countries.

The agreement will eliminate certain difficulties which have appeared in recent years because, by the laws of both Canada and the United States, Canadian citizens have not been allowed to operate radio transmitters in the United States, and United States citizens have not been allowed to operate similar equipment in Canada.

Three classes of persons will benefit from the agreement. In the first place, Canadian and United States pilots who are qualified radio operators will be permitted to operate the radio transmitters installed in civilian aircraft of the other country's registry. Secondly, operators of mobile radio transmitters installed in vehicles used for public service or for commercial purposes in border areas, and private persons with radio telephony installed in their cars, will be able to obtain permission to use their equipment while in the territory of the other country. Thirdly, amateur wireless operators will be permitted, under certain conditions, to use their sets while visiting the other country.

* * * *

SEA-FUELLING RECORD: On Board H.M.C.S. Cayuga -- This Canadian Tribal class destroyer has twice cracked the fuelling at sea record for British Commonwealth ships during her current patrol off the west coast of Korea.

The Cayuga dropped the record to three minutes and 55 seconds, shattering the old mark of four minutes 46 seconds chalked up by H.M.C.S. Sioux last fall, then went the new record one better by knocking off another 15 seconds next time out. The new time of three minutes 40 seconds is a full five minutes better than the record which stood at the beginning of the Korean war, before the Canadian ships entered the competition.

NEW RADON PLANT IN TORONTO: An increased demand for radon to treat cancer in Ontario has necessitated the establishment of a new and enlarged radium emanation plant in Toronto, the Minister of National Health and Welfare, Mr. Martin, announced on February 5.

Radon is a short-lived, radioactive gas given off by radium and is extensively used in the treatment of cancers near the surface of the body. Use of radon reduces the amount of highly-expensive radium required for a cancer control programme.

For some years radon seeds have been prepared in a radium emanation plant in the McLennan Laboratory of the University of Toronto, Mr. Martin said. This installation was designed to operate where not more than 300 milligrammes of radium are stored.

Public health authorities have found that at least 1,000 milligrammes of radium, or more than double the amount presently in use, are needed to meet the requirements of cancer clinics and private physicians.

* * * *

1,000TH AIRLIFT FLIGHT: An RCAF North Star of 426 Thunderbird Squadron left its McChord Field base near Tacoma, Wash. on February 4 to mark the start of the 1000th Pacific airlift flight out of the US base.

The Thunderbird Squadron has completed six months on the Pacific airlift, and drew praise from the Minister of National Defence, Mr. Claxton, for what he termed "a magnificent job, reflecting RCAF efficiency and organization".

During the six-month period they have been flying the airlift, between McChord Air Force Base, near Tacoma, Wash., and Japan, the Thunderbirds have flown nearly two-million air miles. They have put in more than 8450 hours in the air, and have carried more than 3,600 men and about 750,000 pounds of materials and mail between McChord Field and Japan.

More than 450 officers and men now are with the squadron, and in addition to those at its McChord Field base, servicing detachments are located at Shemya, in the Aleutians; Honolulu, and Haneda, in Japan.

* * * *

COL. H.E. BROWN'S APPOINTMENT: Canada continues to strengthen her anti-aircraft defences, and to keep both men and equipment at top readiness. A full-time Director has now been appointed for special employment in connection with the overall anti-aircraft effort.

The Minister of National Defence, Mr. Claxton, announced on February 6 that the new post has gone to Lt.Col. H.E. Brown, OBE, ED, 38, native of Brandon, Manitoba, and an officer in the Royal Canadian Artillery, non-permanent and permanent, since 1932. His promotion to the rank of colonel is also announced.

NATIONAL NOTES

Effective immediately, loans under the National Housing Act to home-owners will be limited to 80% of the lending values prevailing in January, 1950, it was announced this week by the Minister of Resources and Development, Mr. Winters. The effect of this action is that the additional one-sixth provision is suspended.

Premier Douglas Campbell of Manitoba announced this week that the Manitoba Government will expropriate the \$92,000,000 Winnipeg Electric Company.

Ontario authorities conferred with Ottawa this week over the gambling problem caused by illegal bookmaking on horse races.

A report at the Metropolitan Commission meeting in Montreal this week, showed that the aggregate population of the 15 municipalities comprising the metropolitan area of Montreal is 1,435,023. The figures showed a ten-year gain of 229,949.

The Prime Minister, Mr. St. Laurent, has received the following telegram from the Prime Minister of India, Mr. Nehru: "I am very happy that an agreement on the Immigration of Indians into Canada has been concluded between India and Canada. This is another step in the developing friendship between our two countries; and I am grateful to you and to your Government for your friendly action in this matter."

Avenger anti-submarine aircraft of the Royal Canadian Navy are going to sea in the aircraft carrier H.M.C.S. Magnificent early in February for the first time since they were acquired from the United States Government last year, Naval Headquarters announced on February 3.

WORLD WHEAT SUPPLIES UP: Wheat supplies in the four major wheat-exporting countries for export and carryover amounted to 1,183,000,000 bushels on January 1, up 13.6 per cent over the 1950 corresponding total of 1,041,000,000 bushels. Supplies in the United States were 618,000,000 bushels against 557,000,000; Canada, 334,000,000 bushels against 233,000,000; Australia, 136,000,000 bushels against 152,000,000; and Argentina, 95,000,000 bushels against 99,000,000.

Wheat exports in recent months have lagged behind shipments in the similar period of last year, but an increased rate of exports may be expected for some months to come. Forward sales for export from both the United States and Canada have been fairly heavy in recent weeks and new-crop wheat is beginning to move from Argentina and Australia.

Many importing countries have begun, or are contemplating, the stockpiling of emergency reserves against the contingency of war, and this factor will have a significant effect on world trade in wheat. The rate of overseas clearances from Canada may be expected to increase materially with the spring opening of navigation on the lakes, while impetus has been given to the United States export programme through substantial allocations of E.C.A. funds to several European countries for the purchase of United States wheat.

INDUSTRY

ELECTRICITY: Production of electric energy by Canada's central electric stations reached an all-time record total of 50,795,294,000 kilowatt hours in the calendar year 1950, advancing almost nine per cent over the previous year's total of 46,673,214,000. All Provinces shared in the increase.

STORE SALES: Swelled by heavy Christmas buying, department store sales reached a new monthly peak value of \$118,874,000 in December, a gain of four per cent over \$114,218,000 for the same month in 1949.

GOLD: Canadian production of gold continued to rise in November, the month's total amounting to 378,790 fine ounces as compared with 362,772 in November, 1949. In the first 11 months of the year, 4,065,329 fine ounces were produced as against 3,750,318 a year earlier, an advance of eight per cent.

WHEAT FLOUR: Canadian production of wheat flour in the calendar year 1950 amounted to 21,019,574 barrels, an increase of five per cent over the preceding year's total of 19,971,464 barrels.

CHEQUES: Financial transactions in the form of cheques cashed reached a new all-time record total of \$100,635,459,000 in 1950, exceeding by 15 per cent the previous peak figure of \$87,554,363,000 recorded in 1949. In December, the country-wide total was \$9,314,795,000 as compared with \$8,395,808,000 a year earlier, a gain of 11 per cent.

INVENTORIES: Total value of inventories held by Canadian manufacturing industries was higher in November, the preliminary index, on the base 1947=100, standing at 137.5 as compared with 134.5 in October, and 124.4 in November, 1949. There were increases over a year earlier in all four main groups, and only one -- capital goods -- fell below the October level.

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WEEK'S EVENTS IN REVIEW

CANADA AT UN: The following is the text of the statement made by the Secretary of State for External Affairs, Mr. Pearson, in the First Committee of the United Nations on January 30 in explanation of his vote on the United States resolution, which was carried by a vote of 44 to 7:

"Irrespective of the decision which the Committee may make in regard to the procedure which had been suggested to it by the representative of Egypt, I wish to take this opportunity to explain in a very few words the vote which my Delegation will cast on the two resolutions which are now before us and on which I thought we were about to vote.

"In respect of the Asian resolution, though we support its underlying principles and pay tribute to the sincerity of purpose and the high idealism of those who have sponsored it, I regret that we cannot support it for the following reasons:

"First, because, though it does embody the essential principle that there must be an end of fighting before there can be a discussion of political questions, it sets up a seven-power agency of a kind, and with a membership, which would not make it satisfactory in our opinion for bringing about a cease-fire arrangement in Korea. For one thing it includes a member of this Committee which has bluntly stated on more than one occasion that it will have nothing to do with a cease-fire except on terms which would be completely unacceptable. My Delegation continues to feel that such terms for a cease-fire must be based on those already submitted by the Cease-Fire Group and

that they should be at once negotiated by a small group representing the United Nations, the United States and the Peking Government.

"Second, because we feel that any further communications from this Committee or any new proposals from it to Peking should be precise and detailed and should provide for a specific programme to begin on a certain date and to proceed by definite stages, and to our regret the Asian draft resolution as we see it does not provide satisfactorily for this.

"Third, because in our opinion the Asian resolution gives too much room for further long-drawn-out and inconclusive discussion before a cease-fire can be arranged and subsequent political discussion takes place.

"Fourth, because it does not give previous recognition to United Nations resolutions or action in respect of Korea and in that respect may be interpreted as placing the Peking Government and the United Nations itself almost on the same moral and political footing.

"Fifth, because reasonably satisfactory machinery for cease-fire and political negotiation is included in the United States draft resolution.

"We cannot vote against the Asian resolution, however, because, although it does not embody, as we see it, a suitable and definite programme for a cease-fire and effective discussion which would minimize delay and evasion, it nevertheless does emphasize the necessity of discussion and peaceful settlement and it does embody the principle that a cease-fire must precede discussion. Therefore my Delegation will abstain on this resolution either as

IMMIGRATION IN 1950: The following table showing immigration to Canada during the Calendar Year 1950, has been issued by the Department of Citizenship and Immigration:

	From Overseas		From U.S.A.	Totals
	British	Others		
January	556	2,699	455	3,710
February	855	3,728	376	4,959
March	847	4,427	527	5,801
April	1,434	5,597	484	7,515
May	1,659	6,052	651	8,362
June	1,387	4,801	751	6,939
July	1,207	4,714	803	6,724
August	1,055	3,255	900	5,210
September	804	3,289	937	5,030
October	1,424	3,582	765	5,771
November	1,146	5,081	603	6,830
December	1,053	5,461	547	7,061
Totals	13,427	52,686	7,799	73,912

IMPORTS INCREASE: A summary of foreign trade figures for December released by the Bureau of Statistics shows a small advance in Canada's total domestic exports to \$289,900,000 from \$285,500,000 in December, 1949, and an increase in estimated total imports to \$266,200,000 compared to \$213,400,000. Domestic exports to the United States rose to \$191,500,000 as against \$159,800,000, and to the United Kingdom declined to \$39,600,000 compared to \$49,900,000. Estimated imports from the United States amounted to \$182,600,000 as compared to \$151,000,000, and from the United Kingdom to \$32,000,000 as against \$20,800,000.

The import figures are only preliminary and therefore subject to revision. Final and detailed figures of imports will not be available for about three weeks. Those for exports will be issued in a few days.

GIFT OF 120-YEAR OLD FORT: A 120-year old Hudson's Bay Company fort, Lower Fort Garry, on the west bank of the Red River 18 miles north of Winnipeg, became the property of the nation on January 26, to be preserved as a national historic site. The Minister of Resources and Development, Mr. Winters, on behalf of the Canadian Government, and the Governor and Committee of the Hudson's Bay Company announced that the Company had presented the fort as a gift to the people of Canada.

The construction of Lower Fort Garry was begun in 1831 on the recommendation of Sir George Simpson, then Governor of the Company in North America. The stone structure became the headquarters of the Red River Settlement and also the point of departure for men and goods from the east heading west, by water across the Prairies to the Pacific Coast or the far north.

NEWFOUNDLAND FISHERIES DEVELOPMENT: The provincial Government of Newfoundland, after consultation and in co-operation with the federal Minister of Fisheries, Mr. R.W. Mayhew, announced on January 27 the creation of a fisheries development committee for Newfoundland. The committee, made up of representatives of the federal and provincial Governments and of the trade and fishermen, is charged with the formulation of a development programme for the inshore and offshore fisheries of Newfoundland.

The seven-man committee, under the chairmanship of Honourable Sir Albert J. Walsh, Chief Justice of Newfoundland, will comprise a representative from each of the federal and provincial Governments, two from the trade and two from the fishermen. The appointees from the Governments, trade and fishermen will be announced within the next few days. The committee is to begin its work without delay.

The full terms of reference of this committee are as follows:

1. To examine into the fisheries resources available to the Province of Newfoundland with a view towards the fullest utilization of known resources and the discovery and development of others.
2. To examine into the economics of existing methods of fishing and of other methods which may be applicable.
3. To examine into the economics of existing methods of processing and other methods which may be applicable.

These undertakings are for the purpose of recommending increased utilization of fishery resources through methods of fishing and processing based on sound scientific, economic and social considerations, and in particular, of recommending a programme capable of implementation by both the federal and provincial Governments and those engaged in the fishing industry and outlining the respective responsibilities of each and their agreed shares in carrying out a programme.

In its work the committee will have at its disposal expert scientific and economic assistance on the necessary scale. It will also operate through working bodies chosen not only from these sources, but also from those actively engaged in the various phases of the industry.

CANADIAN EXCHANGE RATE: The Minister of Finance announced that the exchange rate used for determining the Canadian dollar price of gold deposited during the week ending January 27 was 1.05 11/32. This is the average of the buying rates for the days Monday to Friday, inclusive, reported daily to the Minister of Finance by the Bank of Canada.

This results in a gross price of \$36.870312 (Can.) per fine ounce to be paid to producers for gold deposited at the Royal Canadian Mint during the week.

NOOTKA IN NAVAL DUEL: (On Board HMCS Nootka, Off Korea) -- The four-inch guns of this destroyer blazed in anger for the first time on January 25. Along with HMCS Cayuga, the Nootka staged a successful duel with Communist shore batteries in the approaches to Inchon.

The Cayuga and Nootka steamed into the approaches of the enemy-held harbour, temporarily joining forces with the United States cruiser St. Paul. At first all was quiet but as the Canadian ships turned back to seaward red shore batteries suddenly opened fire. They made the cruiser their principal target and shells began splashing in the water near the St. Paul.

The cruiser opened up on the batteries and the Canadian destroyers wheeled to join in the bombardment. A few seconds later the Cayuga and Nootka opened fire on the batteries, which were on a hill to the left of the town.

The destroyers steamed directly toward the target and the St. Paul ceased fire in order to give the Canadians a clear bearing. Captain Brock closed the range to less than 2,000 yards and both ships turned to give full broadsides. Close range weapons joined in the bombardment and hit with terrific effect.

From the bridge of the Nootka, shells could be seen scoring direct hits on the gun emplacements and the enemy stopped firing.

Soon after there came a message saying the batteries had been "neutralized", and the ships turned away from the smoking shore and returned to their patrol. During the bombardment the Nootka had fired more than 200 rounds of four-inch ammunition; the Cayuga fired as much, if not more.

None of the warships was hit by the Communists' brief and fatal flurry of gunfire.

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MR. MACDOVALD SPECIAL AMBASSADOR: The Department of External Affairs announced on January 30 that Mr. J. Scott Macdonald, Canadian Ambassador to Brazil, has been appointed Special Ambassador of Canada at the inauguration of His Excellency Getulio Dornelles Vargas as President of the United States of Brazil.

Mr. Macdonald presented his Letter of Credence on January 30 to outgoing President Eurico Gaspar Dutra at Rio de Janeiro. On January 31, at the Presidential Palace, he transmitted to President Vargas a message from the Prime Minister extending congratulations to the new Head of State and friendly greetings to the people of Brazil from the people of Canada.

The Ambassador was accompanied by Mr. W.G. Stark, First Secretary; Mr. D.W. Jackson, Commercial Secretary; Mr. T.F. Harris, Assistant Commercial Secretary; and Mr. D.B. Wilson, Third Secretary and Vice-Consul; all members of the Canadian Embassy, Rio de Janeiro, who formed part of the special mission.

FARM MACHINERY SALES UP: Canadian farmers spent an estimated \$61,000,000 more in 1949 on new equipment and machinery than in 1948, according to estimates by the Bureau of Statistics. Total expenditures at the retail level are estimated at \$265,000,000 as against \$204,000,000. An additional \$36,000,000 went for repair parts, \$1,000,000 more than in 1948.

The wholesale value of the new farm machinery and equipment sold in 1949 stood at \$217,090,000 as against \$170,666,000 the year before, and repair parts totalled \$28,105,000 against \$26,997,000. The retail estimate is based on an average mark-up of 21.9 per cent from those wholesale figures.

Farm tractors and engines accounted for almost half of the total sales of new equipment in 1949, being valued at wholesale at \$102,026,000, up sharply from \$63,065,000. Harvesting machinery was next in order at \$39,088,000 against \$36,047,000; ploughs, \$17,938,000 against \$11,961,000; tilling, cultivating, and weeding machinery, \$12,241,000 against \$9,337,000; haying machinery, \$10,569,000 against \$9,551,000; and planting, seeding and fertilizing machinery, \$8,138,000 against \$7,023,000.

The Prairie Provinces accounted for 65 per cent of total Canadian sales of farm implements in 1949 as compared with 62.5 per cent in 1948 and 61.2 per cent in 1947.

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CANADIAN WINS MCKENNA TROPHY: A Canadian has been awarded the McKenna trophy for the highest standing during 1950 at the Empire Test Pilots' course, Farnborough, England, it has been announced by Air Force headquarters. The winner, Flight Lieutenant Gordon A. (Bud) Beck, 26, of Stettler, Alta. was one of two Canadians on the course, held annually since the school was established eight years ago by the British Ministry of Supply. The School provides qualified pilots for the test flying of prototype aircraft and other experimental and development work. F/L Douglas E. Biden, DFC, of Moncton, N.B. and Ottawa was the other Canadian officer attending the E.T.P.S.

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CANADA, FRANCE AGREEMENT: The Department of External Affairs announced on January 29 that Canada and France have concluded an agreement respecting compensation for Canadian citizens and corporations having interests in companies in France which produce gas and electricity and have been nationalized.

Canadian citizens and corporations are urged to notify the Department of External Affairs immediately, if they have not already done so, of interests in any of these French companies, since the final date for submission of claims in order to obtain preferential treatment is May 31, 1951.

FOURTH SESSION, TWENTY-FIRST PARLIAMENT

SPEECH FROM THE THRONE: The following is the text of the Speech From the Throne, read by the Governor General, Viscount Alexander, at the opening of the Fourth Session, Twenty-First Parliament, on January 30:

Honourable Members of the Senate:

Members of the House of Commons:

Since you met in Special Session in the autumn of last year, there has been a further deterioration in the international situation. The intervention of Chinese forces in active opposition to the United Nations forces in Korea has increased the danger of a general conflagration.

So far the efforts to achieve a peaceful settlement in the Far East have not succeeded. While aggression cannot be condoned and will continue to be resisted, it is the view of my Ministers that the door to negotiation at any time a cessation of hostilities in Korea can be arranged must be kept open.

MENACE IN FAR EAST

The increased menace in the Far East reinforces the mounting evidence that Communist imperialism is determined to dominate the world by force or the fear of force, and that the only hope of maintaining peace with freedom lies in the rapid increase of the combined strength of the free nations. It is equally important that the free nations should make it abundantly clear that they have no aggressive designs and that they are resolved to aid in constructive endeavours to improve the standards of human welfare in under-developed countries.

My Ministers have endeavoured to uphold these international objectives in the deliberations of the United Nations, at the recent meeting of the Prime Ministers of the Commonwealth countries, and in our diplomatic relations with all nations and governments.

Units of the Royal Canadian Navy and the Royal Canadian Air Force have shared from the outset in the United Nations action in Korea. One battalion of the Canadian Army Special Force is now in Korea, and the rest of the force is at Fort Lewis, Washington, where it is available for service in Korea or for other employment in discharge of our international obligations.

Progress has been made in the organization of an integrated force in Europe under the North Atlantic Treaty Organization. The Supreme Commander, General Eisenhower, has recently visited Canada to consult with the Government and the Chiefs of Staff. You will be asked early in the Session to authorize Canadian participation in this integrated force as part of our programme for national defence and security. You will also be asked to approve substantially increased expenditures for defence.

The urgent need of the St. Lawrence seaway and power project in relation to the security of this continent is becoming increasingly apparent. It is the view of my Ministers that the Canadian authorities should be kept in a position to co-operate promptly in undertaking construction of the project once affirmative action has been taken by the appropriate United States authorities.

Your approval will be sought for an appropriate Canadian participation in the Colombo plan and in technical assistance to under-developed areas.

The policies of the Government are designed to prevent war, but the dangers of the international situation and the magnitude of the defence effort required as a deterrent have, in the opinion of my Ministers, created an emergency situation. You will accordingly be asked to approve legislation vesting in the Governor in Council additional powers to ensure adequate defence preparations to meet the present emergency and to prevent economic dislocation resulting from defence preparations.

DEPARTMENT OF DEFENCE PRODUCTION

You will also be asked to approve a Bill to establish a Department of Defence Production to act as a procurement agency for the defence forces of Canada and also for such defence requirements of our allies as may be met from Canadian production.

Amendments to legislation relating to the armed forces will also be submitted for your approval.

Legislation will be submitted respecting the application of the benefits of the Veterans Charter to members of the Special Force. Amendments will be introduced to legislation concerning pensions for veterans and their dependents to relieve difficulties being experienced by certain groups of pensioners provided for thereunder.

Appropriate amendments to the Canadian Citizenship Act will be introduced to prevent the retention of Canadian citizenship by persons who have renounced their allegiance or shown by their conduct that they are not loyal to Canada.

The high level of employment and production within our country give our people increased capacity to meet the demands of national and international security.

The spirit of unity so happily reflected in the conferences between the federal and provincial Governments is further evidence of our ability to make an effective national response to the emergency.

Proposals were laid before the provincial Governments for new tax agreements and for a contributory old age pensions programme along

the lines recommended by the Joint Committee at the last regular Session.

The provincial Governments are at present giving consideration to these proposals and to proposals for constitutional amendments which may require to be submitted to you before the close of the present Session.

You will be asked to consider measures respecting federal grants to municipalities in lieu of taxation of Crown property, the abolition of the requirement of the fiat in the case of Petitions of Right, and the bequests of Laurier House and Kingsmere.

You will also be asked to consider a complete revision of the Indian Act and the Consolidated Revenue and Audit Act.

Other measures to be introduced will include amendments to the Immigration Act, the Post Office Act, the Central Mortgage and Housing Act, the Gold Mining Assistance Act and the Customs Act.

It is anticipated that the reports of the Royal Commissions on transportation and a National Development in the Arts, Letters and Sciences will become available during the course of the Session.

Members of the House of Commons:

You will be asked to make provision for national defence and the meeting of our obligations under the United Nations Charter and the North Atlantic Treaty, as well as for all essential services.

Honourable Members of the Senate:

Members of the House of Commons:

May Divine Providence bless your deliberations and give to our people the fortitude and patience to sustain the trials of these troubled times.

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"EXERCISE MUKLUK": The latest winter clothing and survival equipment of the R.C.A.F. will undergo extensive trials on "Exercise Mukluk" during February, Air Force headquarters announced on January 30. The exercise will be carried out in the frigid climate of Fort Nelson, B.C. and Cambridge Bay, in the Arctic Islands and U.S.A.F. and R.A.F. equipment, as well as R.C.A.F., will be tested.

During the past three years, new types of winter clothing and survival equipment have been developed by the R.C.A.F. from reports and recommendations received from the Survival School, Institute of Aviation Medicine, Winter Experimental Establishment and Directorate of Interservice Development. Exercise Mukluk will allow the Air Force to determine their suitability as standard Air Force equipment for winter operations.

The test team is scheduled to move to Fort Nelson on Thursday, February 1, for bush country tests, and then fly up to Cambridge Bay for further tests in this barren region on February 15.

The Canadian Army - R.C.A.F. joint tactical exercise this winter, "Son Dog Two", will be

held in an area north of Fort Churchill between mid-February and the first week in March.

"Sun Dog Two", a small exercise, will test the effects of Arctic conditions on men and equipment and provide Army and R.C.A.F. staffs with training to meet the ordinary problems of airborne, airtransported winter operations.

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CANADIAN TO PLAN BURMESE CENSUS: Technical assistance for Burma will be provided through the co-operation of the Bureau of Statistics, which is making available to that country for three months the services of its Senior Research Statistician, Nathan Keyfitz. He left Ottawa on January 27 to plan a census that will be taken next year in Burma, covering population, cottage industries, mining and large-scale manufacturing. Although censuses have been taken before in that country, they were of a simple nature, and failed to meet present requirements.

Canada is co-operating with the Technical Assistance Administration of the United Nations in making the services of Mr. Keyfitz available, and will be re-imbursed by the United Nations for his salary, and travelling expenses to and from Burma. His living costs will be paid by the Burmese Government.

This is another example of aid being provided by Canada to under-developed areas of the world, following the receipt of requests from the United Nations Technical Assistance Administration in New York, a similar bureau in Colombo for technical assistance to South and South-East Asia and other specialized agencies. Many other requests have been channelled to the Technical Assistance Service, in Ottawa, and will be filled as personnel become available from the civil service and private industry.

Mr. Keyfitz joined the Bureau of Statistics in 1936, and has been working since then on the Decennial Census of Canada, external trade statistics, and social analysis, and is at present Senior Research Statistician.

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FRENCH AIR CRASH INQUIRY: The Minister of Transport, Mr. Chevrier, announced on January 30 that the French Board of Inquiry, created to investigate the circumstances of the accident to the Douglas DC-4 aircraft CF-EDN (Canadian Pilgrim) operated by Curtiss-Reid Aircraft, in the French Alps on November 13, 1950, is coming to Canada at the Government's invitation, as previously announced, to continue its investigations.

It is expected that the Board of Enquiry will arrive in Montreal about February 15 and will hold hearings both in that city and in the City of Quebec. Mr. Chevrier stated that a further announcement will be made as soon as the dates of the hearings are made known to the Canadian Government by the French authorities.

ICAO LEGAL COMMITTEE: The Seventh Session of the Legal Committee of the International Civil Aviation Organization was held in Mexico City recently and was attended by international lawyers representing 24 sovereign nations. The Committee has drafted a new international convention on damage caused by foreign aircraft to third parties on the surface. This convention will now be submitted to the 58 member nations of the International Civil Aviation Organization for approval.

One of the most novel provisions in the convention provides, for the first time on a multilateral basis, for the compulsory recognition of foreign judgments. In the rather restricted field of cases of third party damage arising under the proposed convention, there is an opportunity to pave the way to a better international understanding, so that one day judgments rendered in different countries may secure automatic recognition on a wide scale.

According to the terms of the proposed convention, law suits may be brought only in the courts of the country where the damage occurred. If the new system is adopted, a judgment rendered in the courts of one nation concerning damage caused by foreign aircraft will be capable of execution in any other state which is a party to the convention.

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WAGES AT NEW PEAK: Employment in the principal non-agricultural industries showed a further upward movement at December 1, the advance index rising contra-seasonally by 0.7 per cent from November 1, and exceeded by 5.4 per cent the December, 1 1949 index. Weekly payrolls rose 1.4 per cent in the month and 12.3 per cent above 12 months earlier. The advance figure of average weekly earnings in the eight major industrial groups reached a new record of \$46.72 at December 1, exceeding the previous maximum average of \$46.41 at November 1, and the per capita earnings of \$43.81 recorded at December 1, 1949. Numerous increases in wage rates contributed materially to the higher wages and salaries.

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CIVIL DEFENCE FORUM: The first of three staff forums on civil defence was opened at de Salaberry Armouries in Hull on January 29, with some 32 representatives attending from various federal, provincial, municipal and civil organizations from coast to coast.

There will be a week "break" between each of the 12-day forums, and a different group of students from all Provinces will attend each. For the most part, Mr. Claxton has announced, the forums will be open to the press and other interested spectators as space permits. Only two or three of the lectures and discussion periods will be closed to the public.

\$4,500,000 NEWFOUNDLAND FERRY: Authority for the construction of a \$4,500,000 automobile, freight and passenger ferry to provide year around service across Cabot Strait between Port aux Basques, Newfoundland, and North Sydney, Nova Scotia, has been announced by the Minister of Transport, Mr. Chevrier. He stated that on the recommendation of the Canadian Maritime Commission, the shipbuilding firm of Canadian Vickers, Ltd. of Montreal had been authorized by Canadian Commercial Corporation to proceed with the construction of the new vessel. The project, he said, implemented the undertaking by Canada under the terms of union with Newfoundland which required that Canada maintain a freight and passenger steamship service which, on completion of a motor highway between Corner Brook and Port aux Basques, will include suitable provision for the carriage of motor vehicles. The Minister expected that the new vessel would be completed in 1952 when it would replace the smaller s.s. "Cabot Strait".

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CONFERENCE ON REHABILITATION: The following is an excerpt from the address of the Minister of National Health and Welfare, Mr. Martin, before the National Conference on Rehabilitation of Handicapped Persons, in Toronto, on February 1:

"I believe that we should view the process of rehabilitation in its broadest terms. Rehabilitation should be a planned and continuous procedure, not a series of isolated events. The restoration of the individual as a social unit is often a prolonged and difficult process. Proper rehabilitation is something more than medical or vocational care. It is a complete physical, mental, social and even spiritual restoration of the individual to an effective, useful and satisfying life.

"An important element of any successful rehabilitation programme is public education. Crippling is emotional as well as physical. The way people feel towards them has a great deal to do with the readjustment of the handicapped. Curiosity, pity, dislike, over-solicitousness, fear, repugnance -- all these are wrong attitudes towards the disabled, who respond best to sympathetic understanding.

"There is also a continuing need to educate employers in the value of handicapped workers. Our handicapped are needed in the labour force more today than ever before. Employers should hire handicapped persons -- not on humanitarian grounds, but because it is good business. They should be reminded that a physical handicap is not necessarily a job handicap. No one is perfect -- everyone has a deficiency of some kind. A man's ability is far more important than his disability...."

INDUSTRY

WHOLESALE: The general wholesale price index rose in December to 175.7 from 174.0 in November and 156.9 in the corresponding month of 1949. Increases over the preceding month were recorded in each of the eight main sub-group indexes. The largest gain of 3.3 points was in the non-ferrous metals group, followed by animal products with a rise of 2.3 points and textile products with an advance of 2.1 points.

BUILDING: Wholesale prices of general building materials, down in October and November from September levels, moved upward in December, while wholesale prices of residential building materials continued to advance for the ninth successive month, according to the price indexes compiled by the Bureau of Statistics.

DAIRYING: Estimated quantity of milk produced on Canadian farms was lower in November and the first 11 months of 1950 than in the same periods of 1949. The month's output amounted to 1,036,000,000 pounds, a decline of 8.6 per cent from the November, 1949 total of 1,133,000,000 pounds.

TEXTILES: Gross factory selling value of products turned out by the textile industries of Canada in 1948 reached a new all-time peak total of \$1,238,129,000, an increase of 16.6 per cent over the previous high value of \$1,062,041,000 in 1947.

FISHERIES: Landings and landed value of sea fish in Canada -- excluding Newfoundland -- were higher in December and the full year 1950 than in the preceding year. The year's catch amounted to 1,831,709,000 pounds as compared with 1,181,956,000 in 1949, an increase of 12.7 per cent, while the value totalled \$67,547,000 as against \$53,540,000, a rise of 26.2 per cent.

STORE SALES: Department store sales increased 13 per cent during the week ending January 20 as compared with the same week last year, according to preliminary figures.

CARLOADINGS: Carloadings on Canadian railways for the week ending January 20 reached 78,044 cars -- a new record for the week -- as compared with 64,069 in the corresponding week last year, an increase of 22 per cent. During the first three weeks of this year, loadings advanced to 219,257 cars from 184,216 in the same period of 1949, or by 19 per cent.

NATIONAL NOTES.

The Ontario Legislature opened on February 1.

The Provinces may be allowed to impose an indirect sales tax of as much as three per cent to help them finance a new pensions programme for the aged, it was disclosed in the Commons this week with the tabling of copies of draft constitutional amendments, which, however, would require unanimous consent.

The Department of Fisheries has announced the appointment of Miss Edith L. Elliot, outstanding Canadian home economist, as chief of the newly-organized Home Economics Section of the Department's Inspection and Consumer Service.

Officers and men of the destroyer H.M.C.S. Sioux (Cdr. Paul D. Taylor, Victoria) will be granted 14 days' special leave when their ship returns to Esquimalt early in February from the Korean theatre, Naval Headquarters announced on January 26. In addition, transportation to and from their homes will be provided at service expense.

More than half a million dollars have just been earmarked from federal funds to help meet the building costs of hospitals in Kitchener-Waterloo, Orillia and Sioux Lookout, Ontario, the Minister of National Health and Welfare, Mr. Martin, has announced.

For the second consecutive year a Canadian team of teen-aged Army Cadets has won the Earl Roberts Imperial Cadet Trophy for service rifle marksmanship in an Empire-wide competition. Word has been received in Ottawa that the 1950 winners of the coveted award were cadets of No. 323 Provencher School Cadet Corps, St. Boniface, Manitoba. The trophy was won in 1949 by N. 1195 Ecole Supérieure St. Stanislas Cadet Corps of Montreal. The Montreal team's victory was the first for Canada in the many years the trophy has been offered for competition.

The Bureau of Statistics has released its annual report on the geographical distribution of the manufacturing industries of Canada for the year 1948. The report contains an historical summary of principal statistics -- number of employees, salaries and wages, cost of materials, and gross and net value of products -- for Canada as a whole from 1870 to 1947, as well as provincial figures for representative years from 1917.

(Continued from p. 1)

CANADA AT UN.

a substitute for or as supplementary to the United States draft resolution.

"We shall vote for the United States draft resolution for the following reasons:

- (1) Because the Lebanese amendments, which we strongly support, remove our doubts about the wisdom of certain provisions of the unamended draft;
- (2) Because its finding that the Peking Government, by helping those already designated as aggressors in Korea, has engaged in aggressive action itself in Korea, states in moderate terms facts which we cannot reject without condemning our own intervention in Korea; nevertheless we still feel that it is premature and unwise to confront the Committee with the necessity for a decision on these facts at this particular moment and, as we see it, the methods of peaceful negotiation before condemnation have not yet been completely exhausted;
- (3) Because this resolution with the Lebanese amendment does not close the door to peaceful negotiation; on the contrary it very rightly emphasizes that even a report on collective measures is to be subordinated to the work of the Good Offices Group; it supports the doctrine of the Charter that mediation, conciliation and peaceful settlement should always have priority over enforcement action;
- (4) Because the statement of the United States representative last Saturday was frank and unequivocal in agreeing that this draft resolution gave no one any authority in Korea or the Far East which he did not already possess under United Nations resolutions;
- (5) Finally, because, we do not believe that by passing this resolution we are slamming the door to subsequent negotiation or that the Government in Peking would have any justification for interpreting our action in that way.

"This draft resolution is a very mild condemnation indeed compared to that which has been hurled at the United Nations in general and the United States in particular in respect of its action in Korea. Denouncing us as aggressors in Korea has not prevented the Peking Government from expecting those of us who have been so denounced to sit with it and negotiate; nor has it prevented that Government itself from agreeing to participate in such negotiations. If the passing of this resolution ends, in the eyes of the Peking Government, all hope of peaceful discussion and settlement, then this can only strengthen the view, which I do not necessarily share, of those who have felt that that Chinese Government was not sincere at any time in agreeing to negotiations.

"I hope, therefore, that whatever happens to this resolution, the door will remain open for negotiation and peaceful settlement."

On January 26 Mr. Pearson submitted to the Committee, a six-point programme which might be pursued to bring peace to Korea. His suggestions were:

- (1) An immediate conference of seven States, the United States, United Kingdom, France, USSR, India, Egypt, and communist China.
- (2) First business would be the appointment of a Cease-fire Committee consisting of representatives of the United States, communist China and the U.N. Commission for the Unification and Rehabilitation of Korea to arrange an immediate cease-fire before taking up other items.
- (3) The conference to consider a peaceful solution of Korean problems and the withdrawal of foreign troops including the Chinese Communists.
- (4) The Conference to discuss Far Eastern problems but only to express its view on UN representation.
- (5) Any government with a special interest would be a participant in the discussions.
- (6) The recommendation for a conference to be transmitted to communist China at once with a request for an answer within 48 hours of its receipt.

In that address also Mr. Pearson outlined Canada's attitude toward the Asian and United States resolutions respectively. Canada, he said, supported the United States resolution since she could not deny the fact that Chinese forces were participating in aggression. China must understand that a settlement was impossible until such participation ended. The resolution was not a declaration of war nor of intention to destroy the Peking regime but called upon Peking to desist in its aggression and engage in a peaceful settlement. Recognition should be given to the possibility that China was imprisoned by her own dogma and thought it was acting in self-defence. The United Nations should give further assurance of its intentions.

In Canada's view the resolution did not give the Unified Command in the Pacific any authority not already possessed. Some features of the resolution did not carry the considered judgment of the Canadian Delegation, although it would vote for the resolution as a whole, reserving its position on amendments and paragraph two. The Delegation thought the presentation of such a resolution when the possibility of negotiation with China was not exhausted was premature and unwise. Canada, however, would support it because its main purport was to condemn Chinese assistance to an aggressor. The United Nations could not ignore such defiance. Canada had honest differences with the United States and would continue to press policies conducive to a peaceful settlement in the Far East.



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WEEK'S EVENTS IN REVIEW

11-MONTH IMPORT SURPLUS: Canada's merchandise imports continued at buoyant levels during November, showing another substantial gain in value and volume over a year earlier and increasing slightly over the record October figure to reach a new all-time peak. Purchases were up over a year earlier from the United States, United Kingdom, and each main area of the other Commonwealth and foreign countries.

Commodity exports in the month, on the other hand, declined in value from October and were only fractionally higher than in November, 1949, with gains to the United States, Latin America and Europe largely offset by decreases to the United Kingdom, and the other Commonwealth and foreign countries.

Net result of the month's trade was a substantially larger import surplus on overall account than recorded in October and import surpluses with the United States, United Kingdom, other Commonwealth countries and other foreign countries as a group.

Total imports in November were valued at \$327,900,000, up from \$320,600,000 in October and 37 per cent above the value of \$239,600,000 from November, 1949. Domestic and foreign exports totalled \$296,400,000 as compared to \$318,900,000 in October and \$295,500,000 a year earlier. The result was an import balance of \$31,500,000 compared to the small debit balance of \$1,700,000 for October and an export surplus of \$55,900,000 in November, 1949.

With November imports showing the seventh consecutive monthly increase and the eighth in the year, total imports in the 11 months were up 14 per cent to \$2,908,000,000 from \$2,547,800,000 in the corresponding period of 1949, while total exports increased slightly less than five per cent to \$2,863,600,000 as compared to \$2,734,200,000. At the end of November there was an aggregate import surplus of \$44,400,000 in contrast with an export surplus of \$186,400,000 for the first 11 months of 1949.

Imports from the United States in November rose to a new peak value of \$214,800,000 from \$208,300,000 the previous month and were 32 per cent above the previous year's November value of \$162,700,000. Total export shipments across the border were valued at \$195,100,000, down moderately from \$207,400,000 in October but up from \$173,600,000 a year earlier. There was thus an increased debit balance of \$19,700,000 as against a debit balance of only \$900,000 the previous month and the exceptional export surplus of \$10,900,000 in November, 1949.

Aggregate imports from the United States in the 11 months rose eight per cent to \$1,948,200,000 from \$1,800,900,000 for the like 1949 period, while total exports, with gains in every month, rose 36 per cent to \$1,856,200,000 from \$1,362,300,000. The import surplus thus fell sharply to \$92,000,000 from \$438,500,000.

9 MONTHS' REVENUES UP \$211.7 MILLION: The office of the Minister of Finance released on January 20 the Comptroller of the Treasury's statement for the month of December and the first nine months of the current fiscal year.

The Comptroller's statement shows that total revenues for the month of December amounted to \$261.1 million compared with \$199.6 million for December, 1949. Revenues for the first nine months of this year totalled \$2,048.1 million compared with \$1,836.4 million for the same period a year ago, an increase of \$211.7 million.

The Government's expenditures for the month of December amounted to \$247.2 million compared with \$200.5 million in the month of December a year ago. The increase of \$46.7 million is more than accounted for by an increase of \$65.0 million in expenditures of the Department of National Defence. Of the expenditure of \$99.4 million for National Defence, \$56.7 million was incurred as a result of the provision of equipment to North Atlantic Treaty allies under Section 3 of the Defence Appropriation Act passed at the fall session of Parliament. Of the thirty-eight departments or divisions of expenditure reported in the Comptroller's statement, excluding National Defence, twenty-seven showed reduced administrative and general expenditures in December, 1950 compared with December, 1949.

DEFENCE EXPENDITURES

For the first nine months of the fiscal year expenditures totalled \$1,628.2 million compared with \$1,537.6 million in the same period of 1949. If the special non-recurring charge of \$62.3 million in 1949, due to the assumption of a portion of Newfoundland debt pursuant to the terms of Union, is eliminated, the increase for 1950 over 1949 is \$152.9 million. This increase was almost wholly accounted for by an increase of \$135.3 million in National Defence expenditures and an increase of \$15.4 million in special expenditures due largely to payments arising out of the Winnipeg flood disaster. In addition there was an uncontrollable increase of \$9.2 million in family allowances and one of \$8.2 million in Old Age Pensions.

Revenues for the month of December exceeded expenditures by \$13.9 million compared with an excess of expenditures over revenues in December, 1949 of \$900,000. The accumulated budgetary surplus for the first nine months of the current fiscal year was \$419.8 million compared with \$298.9 million at December 31, 1949.

In addition to budgetary expenditures, there were non-budgetary disbursements amounting to half a million dollars in December and \$68.8 million in the first nine months of the fiscal year. These cash outlays for loans, advances and investments were much smaller than last year, the decrease for December being \$22.1 million and for the first nine months of the year \$135.4 million.

WINTER PATROL OFF KOREA: WITH THE CANADIAN DESTROYERS OFF KOREA, January 25 -- Mix the crisp cold of the prairies and the penetrating damp chills of the moister Provinces and you have some idea of the kind of winter weather that Canadian sailors are facing as they patrol the west coast of Korea, the Department of National Defence reports.

"And," an officer hastens to add, "don't forget about the cold wind that whips around the upper deck when the ship is steaming at 18 knots or so." Even on a calm day the ship's movement creates a sharp wind. When there is a wind blowing, as there usually is, the problem of keeping warm increases.

One young tar on look-out duty on the bridge of H.M.C.S. Cayuga compared the effect to "standing on a church steeple for an hour while the wind strikes you. After the first half hour you get chilled to the bone and each minute after that the wind seems to get stronger and colder. At the end of an hour, your relief is a very welcome fellow indeed."

Not so lucky is the officer of the watch, who faces the cold and the wind for four solid hours at a stretch.

To beat off the cold he usually wears the following articles of clothing, in addition to normal working uniform: sheepskin-lined flying boots, turtle-neck sweater, sheepskin-lined full length coat, close fitting ski-type cap and woollen gloves or mittens inside leather mitts.

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AUTO SHIPMENTS UP SHARPLY: Factory shipments of Canadian-made motor vehicles in November advanced sharply to 54 per cent over the same month of 1949, and during the first 11 months of 1950 were 36 per cent above the level of the corresponding period of the previous year.

Shipments of made-in-Canada vehicles increased in November to 30,322 units from 19,721 a year earlier, bringing the 11-month aggregate to 360,098 units from 264,713.

Shipments of Canadian-made passenger cars in the month numbered 23,420 units and of commercial vehicles 6,902 units as compared with 13,900 and 5,821 respectively in November, 1949. January-November shipments of passenger cars rose to 261,270 units from 173,927 in 1949 and of commercial vehicles to 98,828 from 90,786 units.

November shipments of Canadian vehicles for use in this country amounted to 21,433 passenger and 5,785 commercial vehicles as compared with 12,699 and 4,729 respectively in November, 1949. The January-November shipments of passenger cars for use in Canada increased to 239,584 from 158,487 units in 1949, and of commercial vehicles to 90,091 from 78,528 units.

EXPECTING 150,000 IMMIGRANTS IN 1951

OVER 30,000 FROM U.K. The following is the partial text of an address delivered by the Minister of Citizenship and Immigration, Mr. Harris, to The Winnipeg Chamber of Commerce, on January 19:

"... the need for immigrants is not restricted merely to meeting conditions arising from our own defence requirements, or from our international responsibilities. Manpower is needed for many other undertakings today ... to work in industries of all sizes and types in all parts of the country. Manpower is needed to open new agricultural land, and to restore to productivity farms which have seen better days.

"We need manpower ... immigrants ... to set up small enterprises in communities serving rural areas, for you will agree with me, I know, that if we are to have a sound economy both our rural and urban areas must be productive. Outlets for urban goods and services would be considerably limited without a good rural market. And, of course, the reverse is true. After a careful study of the situation, we have come to the conclusion that Canada can strengthen her economic system, both in the urban and rural areas, by admitting appreciable numbers of selected immigrants . . .

VALUE OF IMMIGRATION

"I know of no more convincing proof of the economic value of immigration than that provided by a down-to-earth study of both the immediate and long-range effect on the Canadian economy of a sizeable group of immigrants.

"First of all, their movement to this country would result in the transfer of very substantial amounts of money which will be spent on goods and services in Canada. Once here, their productive worth to Canada, based on an average of weekly earnings and the purchasing power of those earnings, would be high ... surprisingly high ...

"Since July 1, it has been possible to grant admission to any immigrant who can prove satisfactorily that he is a suitable person, having regard to Canadian conditions. There are other provisions, of course.

"It has been set out that the immigrant should be of such a character that he would readily adjust to the Canadian community ... and that he would be able to assume the duties of Canadian citizenship within a reasonable time after his arrival.

"In other words, any European immigrant who meets these requirements, may be considered for admission to Canada regardless of his country or origin and subject only to the usual safeguards regarding health and good character.

"This major change of policy ... this widening of the regulations ... was accompanied by a thorough revision of admission procedures in

Canada and abroad designed to reduce formalities to a minimum and to expedite the arrival of immigrants sponsored by residents of Canada or selected by immigration and settlement officers, and also give them a true picture of the opportunities awaiting them in this country ...

"While the dollar position of most countries which found it necessary to impose restrictions on the export of immigrant capital has somewhat improved during the past year, (notable in Great Britain) it has not been possible as yet to persuade the governments concerned to liberalize further immigrants' remittances. Negotiations are continuing, however, and it is hoped that favourable consideration may eventually be given to our representations by some of these countries. . . .

"A survey conducted overseas by the Director of Immigration in September and October of last year showed that a substantial number of potential immigrants from the United Kingdom, and continental Europe were prevented from coming to this country because they did not have sufficient funds for transportation.

TO ADVANCE PART COST

"To assist the movement of immigrants, the Government has decided to advance part of the cost of transportation to those whose services are urgently required in Canada. Under the assisted passage scheme which comes into effect on February 1, advances will be made on a recoverable basis to heads of families and single persons who do not have sufficient funds to pay their own way ...

"An arrangement was also made with T. C. A. last month. Immigrants may now travel to this country on T. C. A. westbound flights from the United Kingdom at a cost not exceeding \$160.00 ... equivalent to the price of tourist passage by sea. The balance between the cost of sea and air passage is made up to T. C. A. by the Canadian Government. . . .

"One of the most successful immigration projects since the end of World War II has been the continuing movement to Canada of Netherlands agricultural families. We have received more than 21,000 fine Dutch immigrants since 1947, and have plans which will, we hope, bring an additional 10,000 to 12,000 during 1951.

"The **VOLENDAM** will bring the first large groups of immigrants to Canada from the Netherlands, and will leave that country on February 13, arriving at Halifax on February 22, with approximately 1,300 Dutch men, women and children. There will be frequent sailings thereafter, with most of the balance of the 10,000 to 12,000 immigrants arriving some time before the end of July.

"With respect to Germany, now, it is reasonable to expect that once again this country

will prove to be a source of immigrants who should not find it difficult to adjust to the Canadian way of life. The Government recently removed restrictions against German nationals, who as enemy aliens had been prevented from emigrating to Canada....

"We have also had discussions with the French and Belgian authorities and it is hoped that some 13,000 agriculturists and persons in other occupations will come to Canada this year from these countries.

"We know, too, that the Scandinavian countries have sent us excellent immigrants, people who have fitted readily into the Canadian pattern and who are now contributing to the Canadian culture and economy. Italy has an over population problem and it is expected, therefore, that a larger number of Italian immigrants will be coming to Canada this year....

"In the autumn of last year we sent the Director of Immigration overseas to make a provisional estimate for 1951, and it would appear from the survey made at that time that we may expect a considerably larger number of immigrants this year. As a matter of fact, 1951 may well be our best year since the end of World War II. Our objective for this year, assuming that conditions remain the same, is in the neighbourhood of 150,000. Of this number it is expected that over 30,000 will come from the United Kingdom. The balance will come largely from Western Europe and will include some refugees...."

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STRIKES, LOCKOUTS 1950: Time loss through work stoppages arising from industrial disputes in Canada during 1950, was slightly higher than the year previous, due mainly to the strike of non-operating railway workers during August, according to a preliminary summary of strikes and lockouts for 1950, released by the Minister of Labour, Mr. Gregg.

Preliminary figures for 1950 show 137 strikes and lockouts, involving 186,981 workers, with a time loss of 1,389,234 man-working days, as compared with 137 work stoppages in 1949, with 51,437 workers involved and a loss of 1,063,667 days. The peak year since 1939 was 1946 when there were 228 strikes and lockouts, with 139,474 workers involved and a loss of 4,516,393 days.

The demand for increased wages, often linked with questions involving hours of work and working conditions, was the important issue in the vast majority of work stoppages. The trans-Canada railway strike in August, 1950, involving 125,000 workers with a time loss of 1,000,000 man-working days, was instrumental in bringing the total of workers on strike in 1950 to the second highest figure of any year in the records of the Department. The greatest

number of strikes and lockouts recorded during one year was in 1943, when 402 work stoppages occurred involving 218,404 workers.

Preliminary figures show 13 strikes and lockouts in existence during December, 1950, involving 2,652 workers, with a time loss of 8,438 man-working days. This time loss was the lowest recorded for any month since June, 1945. In November, 1950, there were 17 strikes and lockouts in existence, involving 13,714 workers with a time loss of 49,125 days. In December, 1949, there were 15 strikes, involving 3,197 workers with a time loss of 24,039 days.

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INFLUENZA CENTRE AT OTTAWA: A Canadian influenza centre has just been established in Ottawa at the federal Health Department's Laboratory of Hygiene.

Its assignment, federal health officials state, is to co-operate closely with similar centres in the United States and the United Kingdom in studying the type and method of spread of strains of influenza virus which may appear in any part of Canada.

"This work is basic to finding means of controlling this disease," federal health officials said.

The centre will be a clearing house for information on influenza for provincial laboratories, university medical centres and health departments and will function as the Canadian part of the World Health Organization's influenza information service.

Arrangements have been in effect for the past two years for provincial laboratories to act as "lookout stations" for possible cases of influenza. The laboratories have been provided with specially-designed containers so that specimens containing virus suspected to be influenza may be flown in frozen condition to the Ottawa laboratory for classification.

* * * *

PAYROLLS AT NEW PEAK: Industrial employment, weekly payrolls and average weekly wages and salaries were at new peak levels at the beginning of November, according to the Bureau of Statistics. The employment index, at 210.5, was 0.3 per cent above October 1 and 4.2 per cent higher than at November 1, 1949. The payrolls index stood at 248.1 as against 245.3 in October and 224.8 a year earlier, and weekly salaries and wages averaged \$46.39 against \$45.99 in October and \$43.80 in November, 1949.

Employment was higher than at October 1 in Quebec, Ontario, Manitoba and Saskatchewan where the gains ranged from 0.4 per cent in Manitoba to 0.9 per cent in Quebec. The losses recorded in the other five older Provinces were moderate.

U.K. WORKERS FOR AIRCRAFT INDUSTRY: Shortages of certain skilled tradesmen for Canada's expanding aircraft industry will probably be met in part by immigration from the United Kingdom, it was announced on January 22 by the Minister of Labour, Mr Gregg.

Mr. Gregg pointed out that full selection service for Canadian employers requiring workers from the United Kingdom was available through the machinery of the Canadian Employment Service and the Canadian Labour Department's office established in London, England, three years ago. The Minister recommended that Canadian employers could get their orders for U.K. tradesmen looked after by placing their requirements in the Employment Service clearance system at any Local Office in Canada.

The facilities of the London office were available to Canadian industrialists going to the United Kingdom in search of specially skilled workers not available in Canada, and some had already taken advantage of these facilities. Mr. Gregg stated that Canadian employers should work through the Canadian Employment Service and, when in the United Kingdom, through the Canadian Labour Department's London office which had close liaison with the British Ministry of Labour.

The assisted passage programme for immigrants to Canada which was recently announced could apply in some instances, the Minister said.

It was not the desire of the Canadian Government to attract needed personnel from British industry, the Minister pointed out, but where they could be spared we could obtain craftsmen and technicians who may be badly needed in Canada.

The London Office forms an extension of the job clearance system now operating in Canada. This system is used as a means of enlarging, when necessary, any particular labour recruiting area by circulating job opportunities to local employment offices outside the locality where the orders were first placed. It is often an effective method of matching the worker with the job.

In addition, the London (England) Branch comprises a headquarters for specific and authentic information on all matters pertaining to employment in Canada.

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STUDY MENTAL HEALTH SERVICE COSTS: An analysis of the long-term costs of public and private mental health services in Canada and of the advantages of certain forms of treatment and service is being undertaken at the University of Toronto.

The study, expected to take about three years to complete, is being financed from grants administered by the federal Health Department.

The first phase of the work involves a study of the historical background of mental health policies in Canada to determine trends

in legislation, administrative organization, costs and the development of hospitals, homes, clinics and other physical facilities for the care of mental illnesses.

The next part of the study will be a detailed analysis of the costs of mental health services in recent years. To cover both public and private services, it will be designed to bring out trends in expenditure, per capita costs of care in institutions, and the costs of various parts of the mental health programme -- that is, clinics, boarding homes, hospitals, etc.

The third phase will attempt to evaluate in dollars and cents those parts of the mental health programme which stress prevention of illness and rehabilitation. To be studied will be such services as community mental health clinics, occupational therapy programmes, foster homes and special forms of care such as cottage institutions for the senile, and the place in the community which patients who have had brain surgery as treatment are able to take.

Study of these three parts of the mental health problem are expected to raise other questions regarding the economic burden of mental ill health to the whole community.

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WAGES AT NEW PEAK: Average hourly earnings and average weekly wages of hourly-rated wage-earners in leading Canadian manufacturing industries rose to new peak levels during the week ending November 1. There were slight declines from a month earlier in aggregate hours worked and in the number of hourly-rated wage-earners.

Average hourly earnings at November 1 in all manufacturing industries amounted to 106.2 cents as compared with 105.3 cents at October 1 and 99.5 cents a year earlier, while average weekly wages stood at \$45.67 compared with \$45.17 in October and \$42.59 in November, 1949. The average work-week was 43.0 hours compared with 42.9 a month earlier and 42.8 a year ago.

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WHEAT MARKETINGS: Marketings of wheat by farmers in the Prairie Provinces during the week ending January 11 were more than double the amounts delivered in the corresponding week last year, and with smaller overseas export clearances the visible supplies of Canadian wheat in North America were 38 per cent higher.

Marketings amounted to 3,878,629 bushels as compared with 1,903,005 a year earlier, and the overseas export clearances totalled 1,511,083 bushels as against 3,302,605, while the stocks of Canadian wheat in store or in transit in North America at midnight on January 11 aggregated 224,905,599 bushels as compared with 163,155,973.

(Continued from p. 1)

11-MONTH IMPORT SURPLUS

Imports from the United Kingdom were again up substantially in value to \$40,200,000 as compared to \$26,500,000 the previous November, and total domestic and foreign exports again sharply lower at \$38,800,000 as against \$57,200,000, producing an import surplus of \$1,400,000 in contrast with an export balance of \$30,700,000 a year earlier. In the 11 months, imports from the United Kingdom increased nearly 30 per cent in value from \$286,700,000 to \$372,200,000, and total exports dropped about one-third from \$659,100,000 to \$432,600,000, the credit balance for the period dropping to \$60,400,000 from \$372,400,000.

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CONSUMER CREDIT REGULATIONS: Several changes in the consumer Credit Regulations were announced on January 24 by the Minister of Finance, Mr. Abbott. None of these involves changes in minimum down payments or in the maximum period of credit. They will come into effect on February 1.

Mr. Abbott said that the changes are the result of experience gained in administering the Regulations during the past three months and are designed to simplify the procedure under the Regulations. Included among the amendments is one which permits the maximum period of credit to start on the date of delivery instead of the date on which a contract is made.

Minor changes are also being made in the types of goods subject to the Regulations. Certain types of books have been added to those already subject to the Regulations. On the other hand, house trailers have been removed from control. Available evidence is that the great majority of house trailers being sold are not for pleasure or touring purposes but for housing purposes, especially in connection with large new construction and development projects.

"The Regulations are having desirable effects upon instalment selling practices," the Minister said. "It is not possible yet to measure the results precisely, but information available suggests that the expansion of consumer credit has been restrained."

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MR. ROBERT A. FORD TO MOSCOW: The Department of External Affairs announced on January 23 the appointment of Mr. Robert A.D. Ford as Chargé d'Affaires at the Canadian Embassy in Moscow. He will replace Mr. J.B.C. Watkins, who is returning to Canada on home leave.

Mr. Ford, who is 36, is a native of London, Ontario, and a graduate of the University of Western Ontario and Cornell University. He was the winner of the Alexander Mackenzie Fellowship in History and Political Science of the University of Toronto, and the Cornell Uni-

versity Graduate Fellowship in History in 1938. From 1939 to 1940 he taught history at Cornell, where he also made special studies in the Russian language and eastern European history.

Mr. Ford joined the Department of External Affairs in July 1940, and has served in the Canadian Embassy in Rio de Janeiro and the Office of the High Commissioner for Canada in London. This is his second posting to the U.S.S.R. He previously served in the Canadian Embassy in Moscow from September 1946 to November 1947, acting as Chargé d'Affaires from April to November 1947. He was a member of the Canadian Delegation to the First General Assembly of the United Nations, London, January 1946. Since August 1949 he has been in the Department in Ottawa.

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EMPLOYMENT BETTER THAN 1950: Seasonal unemployment continued to grow during December. The onset of winter brought about further layoffs of workers in construction, transportation and fishing. To these were added thousands released after Christmas from retail stores across the country and from the forest industry on the west coast as heavy snows in higher levels closed some camps. The increase was offset in part by continued hiring in the manufacturing industries of the central Provinces and a steady demand in Eastern Canada for woods workers. At the beginning of the year, however, the number of those seeking work had increased substantially. Most of these were unskilled and semi-skilled workers, and for those without factory or woods experience there was little prospect of steady employment until spring, the Department of Labour said in a January 23 statement.

By January 4, the total number of applications for work at National Employment Service offices were 248,100, or 4.9 per cent of the civilian labour force. Comparison with the total at December 21 shows that applications increased by 33,000 during this two week period, distributed equally across the country. An increase of 4,000 applications from female workers in the week ending January 4 reflects the layoff of Christmas help in the retail trade. About 85 per cent of all those applying for jobs are covered by unemployment insurance.

The current employment situation is still considerably better than it was last year at this time. There are over 50,000 fewer applications for jobs and employers have listed a greater number of vacancies with the National Employment Service. This may be attributed to the mild weather in most areas during the early part of the winter, which enabled a greater degree of activity in a variety of seasonal industries, to the higher production targets of pulp and lumber operators, and to the expansion in some branches of manufacturing.

The scarcity of materials, mainly steel, did not prevent the expansion of employment in manufacturing. More workers were absorbed into many industries, particularly aircraft firms and foundries, and the letting of substantial defence contracts gave promise of increased hirings in the near future. The immediate need was for skilled workers. The demand for tool and die makers, machinists, draftsmen and welders was particularly strong.

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MR. CHEVRIER ADDRESSES FLYERS: Praising their organization for "past accomplishments and present capabilities", the Minister of Transport, Mr. Chevrier, told delegates to the 22nd annual meeting of the Royal Canadian Flying Clubs Association that this "assures us that it will continue to play a most valuable part in our country's life." He warned members, however, that "the security of our country will depend on each of us, individually and collectively, making his best contribution."

The Minister of Transport expressed the view that the present situation in Canada's elementary flying training programme "was a healthy one" and that the government assistance of \$100 to the flying club or school and \$100 to the student for each qualifying pilot has proven to be "necessary and most helpful". Cost of the private air pilot subsidy scheme in the 1949-50 fiscal year was \$148,000, during the first nine months of 1950-51 subsidy payments to the extent of \$182,416 had been made; and it was estimated that \$250,000 would be required for the coming fiscal year when an all-time high in the training of private pilots under the scheme was anticipated.

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GEN. EISENHOWER'S VISIT: General Dwight D. Eisenhower, Supreme Commander, Atlantic Powers Europe, is to arrive at Rockcliffe air station, Ottawa, on Friday, January 26 for a one-day visit to Ottawa, it was announced on January 24 by the Minister of National Defence, Mr. Claxton. Mr. Claxton said that the General's visit will round out his military familiarization tour of North Atlantic Treaty Organization nations.

General Eisenhower, who will be accompanied by his Chief of Staff, Lieutenant General Alfred M. Gruenther, is scheduled to touch down in his US Military Air Transport Constellation from Iceland between 12:15 and 12:45 pm.

Following arrival ceremonies, which will include inspection of an RCAF Guard of Honour and a brief meeting with Press representatives, General Eisenhower will attend a business luncheon at the Chateau Laurier. The same afternoon he will meet the Prime Minister, Mr. St. Laurent, and members of the Cabinet Defence Committee, and will also talk with Mr. Claxton and the three Chiefs of Staff. It is expected that he will leave Ottawa by air for either Washington or New York Saturday morning.

The General is to be met on arrival at Rockcliffe by Mr. Claxton, who will introduce him to a small group of dignitaries, including Vice Admiral H. T. W. Grant, Navy Chief of Staff, Lieutenant General Charles Foulkes, Army Chief of Staff; Air Marshal W. A. Curtis, RCAF Chief of Staff; Dr. O. M. Solandt, Chairman, Defence Research Board; Major General H. F. C. Letson, Secretary to the Governor General, and US Ambassador Stanley Woodward.

After being greeted, the General will be escorted by Mr. Claxton to the saluting dais in front of the RCAF 76-man Guard of Honour. The RCAF Central Band will then play the General Salute and the Guard will present arms, as the Canadian and United States flags are broken out on the mastheads in front of the Guard.

The officer commanding the Guard will then report to General Eisenhower, who will inspect the Guard.

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N. Z. PRIME MINISTER'S VISIT: The Department of External Affairs has announced that the Right Honourable S. G. Holland, P. C., Prime Minister of New Zealand, will arrive in Canada on Monday, January 29, for a brief visit to Ottawa. He will reach Dorval Airport by transatlantic plane early Monday morning, and travel to Ottawa in a special R. C. A. F. plane.

After being met on arrival at Rockcliffe Airport by the Prime Minister, Mr. St. Laurent, Mr. Holland will proceed to Government House where he and the two members of his party, Mr. A. L. McIntosh, Secretary of the Department of External Affairs, and Mr. R. M. Sleight, Chief Private Secretary, will be guests of Their Excellencies the Governor General and Lady Alexander.

Mr. Holland will lunch informally with the High Commissioner for New Zealand, the Honourable T. C. A. Hislop, and later in the afternoon will call on Mr. St. Laurent at the House of Commons. The High Commissioner will give a reception for the Prime Minister of New Zealand late Monday afternoon and, in the evening, Mr. St. Laurent will give a dinner in his honour at the Chateau Laurier.

On Tuesday, January 30, Mr. Holland will have discussions with members of the Cabinet and hold a press conference. At noon, he will address the members of the Ottawa Canadian Club at a luncheon meeting.

On Tuesday Afternoon Mr. Holland will attend the opening of Parliament and will be given a special place on the floor of the Senate Chamber. On Tuesday evening, he will be guest of honour at a dinner given by Their Excellencies the Governor General and Lady Alexander at Government House.

On Wednesday morning, January 31, Mr. Holland will lunch informally with the High Commissioner for New Zealand. At 2:35 pm, he and his party will leave Uplands Airport for New York.

BUSINESS

RETAIL SALES: Canada's retail trade increased 10 per cent in November over the corresponding month in 1949. This was the second largest increase recorded in 1950, being exceeded only by a rise of 13 per cent in August.

WHOLESALE SALES: Dollar volume of wholesale sales in November declined four per cent from October, but was seven per cent higher than in November, 1949. Cumulative sales for the first 11 months of the year rose five per cent above the volume in the corresponding period of 1949.

RAILWAYS: Operating revenues of Canadian railways reached a new monthly peak total in October of \$92,517,046, an increase of 15 per cent over the October, 1949 figure of \$80,570,413.

CANAL TRAFFIC: Freight traffic through Canadian canal systems during November advanced to a new record for the month at 3,279,726 tons, an increase of 31 per cent over the November, 1949 total of 2,504,563 tons.

PETROLEUM: Canadian output of refined petroleum products increased 14 per cent both in October and the first 10 months of 1950 over the corresponding periods of 1949. Receipts of crude oil were up nine per cent in the month and 10 per cent in the cumulative period.

NATIONAL AERONAUTICAL ESTABLISHMENT: The Minister of Trade and Commerce, Mr. Howe, and the Minister of National Defence, Mr. Claxton, in a joint statement, have announced the establishment by the Canadian Government of a National Aeronautical Establishment, designed to meet the urgent need for the improvement of facilities for aeronautical research and development.

The National Aeronautical Establishment, for the present, will consist of the existing aeronautical research facilities of the Division of Mechanical Engineering, National Research Council, at its Montreal Road, Ottawa, and Amprior, Ontario, sites. It is intended to move the Amprior Unit to Uplands Airport, Ottawa, as soon as the necessary flight test facilities can be constructed there. Location of such facilities at Uplands will enable the long-term requirements for aeronautical research and development to be met.

Policy direction for the National Aeronautical Establishment will come from the National Aeronautical Research Committee, the members of which are the Chief of the Air Staff, the Chairman of the Defence Research

Board, the President of the National Research Council, and the Chairman of the Air Transport Board. The new Establishment will be administered by the National Research Council on behalf of the Committee.

The Director of the National Aeronautical Establishment is to be John H. Parkin, CBE, of Ottawa, the Director of the Division of Mechanical Engineering, National Research Council, and a pioneer in Canadian aeronautical research and development.

IMMIGRATION AGREEMENT WITH INDIA: The Department of External Affairs announced on January 26 the conclusion of an immigration agreement with the Government of India. The notes were exchanged in Ottawa on January 26, which is India's national day. The agreement comes into effect immediately. The Canadian note was signed by the Prime Minister, Mr. St. Laurent. The Indian note was signed by P K Banerjee, the Acting High Commissioner for India.

The agreement, which may be terminated by either Government on six months' notice, reads, in part, as follows:

- "(1) In the twelve month period commencing on the 1st day of January, 1951, and in each succeeding twelve month period thereafter, the admission to Canada for permanent residence of one hundred and fifty citizens of India, including both sexes and all ages, shall be authorized provided the immigrants comply with the provisions of the Canadian Immigration Act.
- (2) In addition to the citizens of India whose entry to Canada for permanent residence is authorized in accordance with paragraph (1) above, a citizen of India who can otherwise comply with the provisions of the Canadian Immigration Act may be admitted to Canada for permanent residence if he or she is the husband, wife or unmarried child under twenty-one years of age of any Canadian citizen legally admitted to and resident in Canada and if the settlement arrangements in Canada are shown to the Canadian authorities to be satisfactory."

R. C. N. OFFICERS' CONFERENCE: The annual conference of senior officers of the Royal Canadian Navy will be held next week at Naval Headquarters, it was announced on January 24.

The senior officers in chief command from the Atlantic and Pacific coasts and the senior R. C. N. representatives in Newfoundland, Washington and London will confer with members of the Naval Board. Vice-Admiral H. T. W. Grant, Chief of the Naval Staff will preside at all the policy and planning discussions.



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WEEK'S EVENTS IN REVIEW

"CEASE-FIRE" REPORT TO UN: The following is the text of the statement made by the Secretary of State for External Affairs, Mr. Pearson, in the First Committee of the General Assembly of the United Nations on January 11, in presenting the "Supplementary Report" of the Group on cease-fire in Korea:

"It will be remembered by the Committee that the representative of Norway several days ago asked the cease-fire group if, in its consideration of the problem before it, it had examined the possibility of a statement of principle which might underlie not only a cease-fire but a settlement of Far Eastern problems, and at that time, speaking for the Committee, I said that we had made such an examination, but we would pursue it further in the hope that we could submit to the Committee a statement which will embody such principles. I regret that we were not in a position earlier to submit such a statement. But I am authorized by the Chairman of our group and the representative of India, to inform the Committee that we are now in a position to submit for the Committee's consideration a statement on this matter.

"Agreement on a statement of this kind has, of course, been no easy task. Anything we proposed had, naturally, to be in accordance with the principles of the United Nations Charter and with the resolutions previously accepted by our General Assembly on Korea.

Also, our statement had to be realistic enough to have a good chance of being accepted by those concerned without the betrayal of any principles or disloyalty to any obligations which had been previously accepted. Our statement also had to recognize the relationship between a cease-fire and a political settlement, and the importance of proceeding from one stage to another with a minimum of delay but with an understanding of the fact that one stage depended on another, and that each should be implemented under the supervision of appropriate international machinery.

"Above all, as we saw it, any statement of principle for a settlement of this kind must be such as to remove fears, suspicions and distrust which poison peace and make security impossible. It was in that spirit that the group of three approached this task. The result is before the Committee in the form of a supplementary report made by the three members of our group in Document A/C.1/645 dated 11 January 1951. This statement deals in a broad way with principles only and with a programme based on those principles. There are, of course, many details to be filled in later if these principles and this programme are accepted by the Committee and by the Government of Peiping. During this process of filling in the details many of the questions which our statement will undoubtedly raise in the minds of members of the Committee will be answered.

FISHERIES RESEARCH: Exploratory drift netting for herring during 1950 has given excellent results in the Gulf of St. Lawrence, Dr. A.W.H. Needler, director of the Atlantic Biological Station, St. Andrews, N.B., told the annual meeting in Ottawa of the Fisheries Research Board of Canada.

Dr. Needler pointed out that the herring stocks of the Atlantic coast are not intensely fished and constitute one of Canada's major unused fishery resources.

He said that good catches of herring were made in the Gulf, sometimes exceeding 500 pounds of fish per 40-yard length of net. These catches compare very favourably with average drift-net catches in the North Sea, although the effective amount of net used was often less than one-tenth of that used by some commercial fishermen.

Capelin may be more abundant than the traditional cod in the Newfoundland area if findings of the Board's Biological Station at St. John's, Nfld., prove correct.

SEEMINGLY LIMITLESS NUMBERS

Dr. Wilfred Templeman, station director, said that for the first time capelin have been discovered spawning on the Newfoundland offshore banks in seemingly limitless numbers. Previously it was assumed that capelin spawned only inshore on the beaches of Newfoundland and Labrador.

The cod, however, still has it over the capelin in monetary standing. Although important for human consumption, the capelin is widely sought for food by other fishes, including the cod, and is also hunted by marine mammals and sea birds. It is also important for bait, animal feed, and fish meal.

The capelin population in the Newfoundland area, reported Dr. Templeman, is now estimated to be at least as great in weight as that of cod.

The beluga, or white whale, held the 1950 fishery spot-light in Hudson Bay.

Dr. K.H. Doan, acting director of the Central Fisheries Research Station, Winnipeg, Man., said that tattooing and aerial observation were two of the scientific methods now being used to continue investigations on the biology of the beluga, a member of the porpoise family, in the Churchill area.

Object of the studies in Hudson Bay is to determine whether commercial or other exploitation there may affect supplies of beluga for Eskimos farther north. Belugas are an important source of food and clothing for Eskimos and commercial hunting and processing of them has only been carried out for the past two years in these waters.

Seal oil may play an important part in the manufacture of canning oil, margarine, shortening and soap, it was also stated at the meeting.

Dr. A. Nadeau, Director of the Gaspé Fisheries Experimental Station, Grande-Rivière,

Que., said his station was conducting experiments to find new outlets for seal oil by hydrogenation under varied sets of conditions. Hydrogenation is a process used by the industry to increase the stability of an oil and to transform it into a fat. This prepares it for use in products like margarine and shortening.

* * * *

NATIONAL RESEARCH COUNCIL REVIEW: The National Research Council Review, 1950, has just been published. It contains a roster of the scientific staff arranged by divisions and sections showing the organization of the laboratories and the positions held by senior personnel. This is followed by reports of the Directors of Divisions and heads of sections; supplementary reports on individual projects written by the specialists concerned; accounts of work of the Council's many committees; details of assisted research grants to university science workers and a tabulation of scholarship awards, indicating the general subjects of study and the distribution of scholarships by universities.

The National Research Council Review, 1950, is intended for distribution to scientists, research institutions and other persons or organizations interested in the investigations in progress.

* * * *

NORTH B.C. SURVEY: An important section of the 60th parallel of latitude designated by Act of Parliament as the northern boundary of British Columbia and Alberta will be surveyed and marked out on the ground by a Geodetic Survey party which left Ottawa on Saturday January 13.

The need for this precise survey and accurate ground markings has arisen from the intensified exploration in northern areas, and the demand for mineral and oil leases.

The 4-man party headed by W.D. Forrester, of the Geodetic Survey, Surveys and Mapping Branch, Department of Mines and Technical Surveys will go to Edmonton by train and will then fly to Hay River on the southern shore of Great Slave Lake.

From Hay River transportation will be provided by tractor train, which carries provisions and fuel required for a 2-month period and is manned by a crew of four.

* * * *

VETERANS CAN REPLACE LOST MEDALS: Details of a plan whereby veterans and serving members of the Armed Forces can replace lost war medals and campaign stars at cost, have been announced by Army Headquarters.

Under the plan, servicemen can, at their own expense, have awards lost through fire, theft or similar circumstances, replaced by submitting a statutory declaration to Army Headquarters giving all particulars and requesting a replacement.

R.C.N. SHIPS WIDELY SCATTERED: January, 1951, finds more ships of the Royal Canadian Navy in more different places than any previous peacetime month in the history of the R.C.N., the Department of National Defence announced on January 12.

A summary of fleet activities, issued by Naval Headquarters, showed that within January's 31 days, 11 of the Navy's 14 principal ships in commission will have pushed their prows into such ports as St. George's, Bermuda, New York City; Yorktown, Virginia; Havana, Cuba; Colon, Canal Zone; Pearl Harbour, Hawaii -- and embattled Inchon, on the west coast of Korea.

In the Far East, completing their sixth month under United Nations command, are three destroyers, the Cayuga (Captain Jeffrey V. Brock, Winnipeg and Vancouver), Sioux (Cdr. Paul D. Taylor, Victoria) and Athabaskan (Cdr. Robert P. Welland, Victoria). During the evacuation from Inchon early this month, the Cayuga was with the covering fleet.

IN WESTERN PACIFIC

In the western Pacific and nearing the end of a voyage that began at Halifax November 25 is another destroyer, H.M.C.S. Nootka (Cdr. A.B. Fraser-Harris, Halifax). She is scheduled to relieve the Sioux this week-end and the latter will then head homeward to the Navy's west coast base at Esquimalt.

A fifth destroyer, H.M.C.S. Huron (Cdr. E.T.G. Madgwick, Ottawa), is due to leave Halifax January 22 for the Far East, where she will relieve the Cayuga early in March. Like the Nootka, she will travel via Bermuda, the Panama Canal, San Pedro, California, and Pearl Harbour. Accompanying her as far as the canal will be her sister-ship, H.M.C.S. Micmac (Lieut.-Cdr. F.C. Frewer, Toronto), whose homeward journey will include calls at Kingston, Jamaica and Bermuda.

Two Esquimalt-based frigates, the Beacon Hill (Lieut.-Cdr. R.W. Murdock, Victoria) and Antigonish (Lieut.-Cdr. Raymond Phillips, Ottawa), are in the midst of a training cruise to Acapulco, Mexico, while an East Coast frigate, the Swansea (Lieut.-Cdr. J.E. Korning, Montreal and Vancouver), has just returned to Halifax from a trip to Bermuda.

Back in Halifax after her second visit to New York within a month is another frigate, the La Hullose (Lieut.-Cdr. T.C. Pullen, Oakville, Ontario).

Now exercising with minesweepers of the U.S. Navy in the vicinity of Yorktown, Va., the Algerine minesweeper Portage (Lieut. E.P. Hamshaw, Kingston), will travel to Havana, Cuba, for a four-day visit before turning back to Halifax.

The larger units of the fleet will be at sea again next month. The cruiser Ontario (Commodore H.F. Pullen, Oakville, Ontario) will sail February 19 from Esquimalt on one of the longest peacetime training cruises ever

undertaken by a ship of the R.C.N. She will be visiting Australia and New Zealand and she won't be back until early in June.

On the other coast, the aircraft carrier Magnificent (Commodore K.F. Adams, Victoria) will put to sea early in February for a period of deck landing training off Bermuda for Avenger pilots of 826 Squadron.

* * * *

GEN. MARK CLARK'S VISIT: General Mark Wayne Clark, Chief of the U.S. Army Field Forces, will pay an official visit to Ottawa and Kingston next week, arriving Monday afternoon, the Minister of National Defence, Mr. Claxton, announced on January 15. The one-time overall commander of the allied forces in Italy, including the 1st Canadian Corps, may also visit Camp Borden if weather and time permit.

The former commander of the U.S. Fifth Army and of the Fifteenth Army Group in Italy, the latter including the Canadian 1st and 5th Divisions and 1st Armoured Brigade, will be accompanied from his present headquarters in Fort Monroe, Va., by Mrs. Clark and their daughter, Miss Ann Clark. While in Ottawa they will be guests at Government House of Their Excellencies the Governor-General and Lady Alexander. Also in the party will be Major R.B. Jaccard, aide-de-camp to Gen. Clark, and Major W.A. Milroy of Edmonton, now Canadian liaison officer at Fort Monroe, and Mrs. Milroy.

On arrival at Rockcliffe Airport Monday at 3:00 p.m., Gen. Clark will be met by Lt.-Gen. Charles Foulkes, Chief of the Canadian General Staff; Maj.-Gen. Harry Letson, Secretary to the Governor-General; Col. F.J. Graling, U.S. Military Attaché in Ottawa, and other senior Canadian and American officers. He will inspect a military guard drawn up in his honour, then proceed to Government House. Later in the afternoon he is to call with Gen. Foulkes on the Minister of National Defence, Mr. Claxton, and in the evening Gen. and Mrs. Clark will be guests of Their Excellencies at the Sadler's Wells ballet.

Tuesday's programme will include meetings with senior army officers at Army Headquarters, a luncheon tendered by Mr. Claxton at the Rideau Club, an afternoon press conference, and dinner at Government House.

Wednesday, January 24, Gen. Clark will go to Kingston by car, accompanied by Maj.-Gen. H.A. Sparling, Vice Chief of the General Staff, and Brig. J.P.E. Bernatchez, Deputy Chief. The distinguished visitor will address students at the Canadian Army Staff College at 11:00 a.m., and in the afternoon will inspect and address the cadets at Royal Military College.

The United States Ambassador, His Excellency the Hon. Stanley Woodward, will be host at dinner Thursday evening to the visiting party at his Rockcliffe home. They will return to Fort Monroe on Friday morning.

(Continued from p. 1)

"CEASE-FIRE" REPORT TO UN

I assume, however, that now we shall be discussing the principles contained in the statement only - not details or procedures.

"If the Committee approves the broad programme and these principles, I assume that this approval will be expressed in some appropriate and formal way by the Committee and the statement transmitted to the Government of Peiping for consideration and, I hope, approval there also. Such approval is, of course, essential before the programme and the principles can be made effective. The statement itself is short and, possibly, I might read it to the Committee. It is headed, 'Supplementary Report of the Group on Cease-Fire in Korea', and reads as follows:

ACHIEVEMENT BY STAGES

The objective shall be the achievement, by stages, of the programme outlined below for a cease-fire in Korea, for the establishment of a free and United Korea, and for a peaceful settlement of Far Eastern problems.

1. In order to prevent needless destruction of life and property, and while other steps are being taken to restore peace, a cease-fire should be immediately arranged. Such an arrangement should contain adequate safeguards for ensuring that it will not be used as a screen for mounting a new offensive.

2. If and when a cease-fire occurs in Korea, either as a result of a formal arrangement or, indeed, as a result of a lull in hostilities pending some such arrangement, advantage should be taken of it to pursue consideration of further steps to be taken for the restoration of peace.

3. To permit the carrying out of the General Assembly resolution that Korea should be a unified, independent, democratic, sovereign state with a constitution and a government based on free popular elections, all non-Korean armed forces will be withdrawn, by appropriate stages, from Korea, and appropriate arrangements, in accordance with United Nations principles, will be made for the Korean people to express their own free will in respect of their future Government.

4. Pending the completion of the steps referred to in the preceding paragraph, appropriate interim arrangements, in accordance with United Nations principles, will be made for the administration of Korea and the maintenance of peace and security there.

5. As soon as agreement has been reached on a cease-fire, the General Assembly shall set up an appropriate body which shall include representatives of the Governments of the United Kingdom, the United States of America, the Union of Soviet Socialist Republics, and the People's Republic of China with a view to the achievement of a settlement, in conformity with existing international obligations and the provisions of the United Nations Charter,

of Far Eastern problems, including among others, those of Formosa (Taiwan) and of representation of China in the United Nations.'

SUPREME EFFORT

"That is our report. In making it, we share the feeling of many others that there is a very real danger of the armed conflict in Korea spreading over the whole of the Far East if it is not quickly brought to an end. If this widening of the conflict takes place, world War III may soon be upon us, with all its horror and grief and infinite destruction. To prevent this, I am sure we all feel that a supreme effort must be made, an effort which may require reconsideration by all concerned of positions previously taken. This effort must involve, first, the stopping of the fighting in Korea and, then, the establishment of a united and democratic Korea and a peaceful settlement of other Far Eastern problems.

"It may well be that nothing less than a conference with the governments principally concerned, under the auspices of the United Nations, can now be effective for achieving an agreed solution of Far Eastern problems, a solution based on justice and within the principles of our Charter, an agreement for the prevention of a general war in the Far East, the consequences of which would not-- and indeed possibly could not -- be confined to that part of the world."

(On Saturday, January 13, the Committee, by a vote of 50 to 7, approved the cease-fire proposals outlined above.)

* * * *

ARMY STAFF COLLEGE OPENING: Eight nations will be represented when the 1951 course of the Canadian Army Staff College opens at Kingston on January 15, the Minister of National Defence, Mr. Claxton, announced on January 13.

Fifty-two students, including two who have come to Canada under the North Atlantic Treaty training plan, have been selected to attend this latest 10-month staff course.

The list of students reads like a page from the United Nations roster. In addition to the names of 41 Canadian Army officers, there are two from the RCAF, two from the British Army, two from the United States Army, and one each from the armies of Australia, India, and Pakistan. Added to these are the names of the two NATO officers from France and Italy. They are the first to attend the staff college under Canada's NATO training scheme.

Object of the course is to qualify officers for second grade staff appointments in all branches of the staff and in both field and static formations. The course is divided into theoretical and practical phases, the first emphasizing tactics and the second half concentrating on the preparation of training syllabi and tactical exercises with and without troops.

INDUSTRY

GOLD: Canadian production of gold continued to rise in October, the month's total amounting to 377,000 fine ounces as compared with 367,000 in the corresponding month of 1949. In the first 10 months of the year 3,687,000 fine ounces were produced as against 3,388,000 a year earlier, a rise of nine per cent. A preliminary estimate released by the Bureau of Statistics on January 2 placed the total for the full year 1950 at 4,431,000 fine ounces as against 4,124,000 in 1949.

ELECTRICITY: Production of electric energy by central electric stations reached an all-time high in November 1950, the month's output rising 1.4 per cent above the preceding month, and 13.6 per cent over November, 1949. Total for the first 11 months of 1950 was 8.2 per cent higher than in the corresponding months of 1949. All Provinces shared in the increased production both in the month and cumulative period.

CARLOADINGS: Carloadings on Canadian railways during the week ending January 6 amounted to 62,594 cars, an increase of 11.5 per cent over last year's corresponding total of 54,480 cars. Advances were shown by 26 of the 32 commodity groups. Loadings in the eastern division rose from 36,796 cars a year ago to 42,129, and the western total advanced from 17,684 cars to 20,465. Receipts from foreign connections were 30,181 cars, an increase of 5,974 cars.

STORE SALES: Department store sales increased three per cent in December over the corresponding month of 1949, according to preliminary figures released by the Bureau of Statistics. Sales in Quebec rose seven per cent, Ontario and British Columbia four per cent each, and Manitoba and Alberta two per cent each. Sales in Saskatchewan fell four per cent, and were down one per cent in the Maritimes.

GOLD MINING REVIEW FOR 1949: The Bureau of Statistics has released its annual summary review of the gold mining industry of Canada for the year 1949. The report contains principal statistics for the industry as a whole and for each of its three main sections -- the alluvial gold mining industry, the auriferous quartz mining industry, and the copper-gold-silver mining industry. Statistics on the production of gold are given for Canada and each Province from 1940 to 1949, and an historical table contains production figures from the beginning of the century.

PROVINCIAL LABOUR STANDARDS: Publication of the 1950 revision of the bulletin, Provincial Labour Standards, which has been issued annually since 1944, was announced on January 16 by the Minister of Labour, Mr. Gregg.

The bulletin describes the standards which are in effect in the Provinces of Canada with respect to child labour, holidays, hours of work, minimum wages, weekly rest-day, and workmen's compensation. Several changes in provincial labour standards during 1950 are recorded.

In Quebec, an increase of 20 per cent in minimum wages for most unorganized workers came into force December 16, 1950. About 400,000 workers were affected, including factory, shop, and garage workers, chauffeurs, messengers, watchmen, janitors, telephone operators, office and hotel employees. During 1950, the Quebec Minimum Wage Commission instituted a stamp system of holiday-with-pay credits for the Montreal and Hull districts.

A revision of the general minimum wage order for women in New Brunswick resulted in a higher minimum wage rate for most of the Province's women workers. This increase became effective September 1, 1950.

A 1950 Workmen's Compensation Act in Newfoundland providing for a system of collective liability as in the other Provinces will, when proclaimed in effect, replace an Act which makes employers individually liable for compensation. Benefits under this Act will be fixed by regulations.

In Saskatchewan, benefits payable in case of the death of a workman were increased with respect to the payments allowed for each child under 16, and with respect to burial expenses. Saskatchewan also provided a higher minimum payment in cases of disablement of workmen.

In Nova Scotia and Prince Edward Island a higher minimum payment was provided for in the case of permanently disabled workmen.

MR. MEASURES' APPOINTMENT: Mr. W.H. Measures, for some years Head of the Protocol Division of the Department of External Affairs, has been appointed to head a special division of the Department of the Secretary of State having to do with state ceremonies, precedence and related matters.

This appointment will permit of the close co-ordination, under the Secretary of State, of a number of functions for which responsibility has hitherto been shared with other departments of Government.

Mr. H.F. Feaver, previously Head of the Commonwealth Division of the Department of External Affairs, will succeed Mr. Measures as Head of the Protocol Division of that Department.

Mr. A.J. Pick, of the Legal Division of the Department of External Affairs, will succeed Mr. Feaver as Head of the Commonwealth Division.

1949 CONSTRUCTION RECORD: The estimated value of work performed by the Canadian construction industry reached an all-time record total of \$2,220,755,000 in 1949, according to the Bureau of Statistics. This includes for the first time, the value of construction by the labour forces of the railway and telephone companies amounting to \$300,144,000. Exclusive of the latter the industry total was \$1,920,631,000 as compared with \$1,665,561,000 in 1948, a rise of 15 per cent.

New construction undertaken by the industry, excluding railway and telephone building, was valued at \$1,643,776,000, up 19 per cent over the \$1,383,553,000 reported for 1948. On the other hand, the 1949 value of additions, repairs, etc., fell off to \$276,855,000 from \$282,008,000, or by two per cent. Including all types of building, new construction in 1949 was valued at \$1,751,650,000, and additions, alterations and repairs totalled \$469,125,000.

Building construction, adjusted to exclude railway and telephone building, was reported at \$1,229,416,000 in 1949, a gain of 13 per cent over the \$1,087,988,000 value for 1948. Including railway and telephone building the 1949 value was \$1,270,327,000. Engineering construction, exclusive of railway and telephone engineering, amounted in 1949 to \$684,635,000 as against \$577,573,000 in 1948, and the all-inclusive total for 1949 was \$950,448,000.

Residential building moved up sharply to \$356,562,000 in 1949 from \$255,756,000 in 1948; institutional building to \$174,462,000 from \$121,421,000, and commercial building to \$199,266,000 from \$166,073,000. Industrial building moved down to \$215,664,000 from \$242,832,000 even though the 1949 value used to calculate this decrease has not been adjusted to remove railway and telephone industrial building. The value of work by building tradesmen was \$301,100,000 as against \$262,366,000 in 1948.

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LOWER R.C.A.F. ENTRY STANDARDS: Increased operational activities are accelerating the need for groundcrew for the R.C.A.F. and consequently entrance requirements for entry into groundcrew trades have been altered considerably, it was announced on January 15 by Air Force Headquarters.

Educational requirement is fixed at Grade 8 for all ground trades, and the age limit for groundcrew recruits has been raised from 30 to 40 years of age. In addition, aptitude and classification tests given all groundcrew applicants have been eased.

Groundcrew entrants for the R.C.A.F. now must be 17 or over, and must not have reached their 40th birthday. Parents' consent is required for those under 18.

NOOTKA NOW IN WAR ZONE: The destroyer H.M.C.S. Sioux (Cdr. Paul D. Taylor, Victoria) is scheduled to return to her home port of Esquimalt on February 4 after more than five months' service in the Korean theatre, Naval Headquarters announced on January 15.

The Sioux has been relieved by H.M.C.S. Nootka (Cdr. A.B. Fraser-Harris, Halifax), who arrived at a United Nations naval base in Japan on January 14 after a 12,600-mile voyage from Halifax.

The other two Canadian destroyers in the Far East, H.M.C. Ships Cayuga (Captain Jeffrey V. Brock, Winnipeg and Vancouver) and Athabaskan (Cdr. Robert P. Welland, Victoria), are due to be relieved this spring, the Cayuga early in March and the Athabaskan in late April.

Replacement for the Cayuga will be H.M.C.S. Huron (Cdr. Edward T.G. Madgwick, Ottawa), who will be leaving Halifax January 22 and will follow the same route as the Nootka. The relief for the Athabaskan has not yet been nominated.

The Cayuga, Sioux and Athabaskan have been absent from their home port since July 5. They left Esquimalt on that date for Pearl Harbour, where they were placed under United Nations command. The destroyers arrived in the Far East on July 29 and from then on served alongside other ships of the U.N. naval force engaged in the Korean campaign.

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H.M.C.S. SIOUX CONGRATULATED: Homeward bound from Korea, H.M.C.S. Sioux received on January 16 a heart-warming message from Vice-Admiral Charles T. Joy, USN, Commander of the United Nations Naval Forces in the Far East.

As the Sioux steamed toward a Japanese east coast port on the first leg of her voyage back to Canada, Admiral Joy sent to her the following message, which was repeated to Naval Headquarters in Ottawa:

"We will miss the gallant Sioux when she departs from the United Nations Naval Force that has been so strongly united by bonds of comradeship and single purpose. The performance of the Sioux in the Far East has shown you are an effective fighting unit and has brought the highest credit to the naval forces of your country. To the captain, officers and men I extend congratulations and a hearty well done.

Vice-Admiral Joy."

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PETROLEUM PRODUCTION PEAK: Canadian production of crude petroleum and natural gasoline reached a new monthly peak in October, the month's output rising 45 per cent over October, 1949, and nine per cent above the previous high recorded in September, 1950. During the first 10 months of the year, all-Canada output increased 31 per cent over the similar period of 1949, and was eight per cent higher than the full year 1950.

Production in October amounted to 2,975,569 barrels as compared with 2,058,419 a year earlier, and compares with the previous peak of 2,724,985 in September, 1950. In the cumulative period, 23,272,420 barrels were produced compared with 17,767,742 in 1949.

The months output from wells in Alberta accounted for 2,876,754 barrels as against 1,950,665 a year earlier. Output from Redwater rose to 1,358,662 barrels, more than double the October, 1949 total of 662,413 barrels. Production from Leduc was substantially higher at 935,652 barrels compared with 793,276, while output from Turner Valley fell to 281,961 barrels from 325,880, and declined slightly in Lloydminster to 60,166 barrels from 61,093.

Output from wells in Saskatchewan amounted to 73,146 barrels as compared with 68,442 in October, 1949; Ontario, 21,315 barrels compared with 25,830; Northwest Territories, 2,973 barrels compared with 11,949; and New Brunswick 1,381 barrels compared with 1,533.

October output of natural gas amounted to 6,070,698 M cubic feet compared with 4,512,746 M in September, and 5,035,311 M in October, 1949, bringing the aggregate for the 10-month period to 54,673,373 M cubic feet from 47,445,711 M in the same months of 1949.

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JOB APPLICANTS INCREASE: The Minister of Labour, Mr. Gregg, reported on January 17 that applications for employment had risen to almost 250,000 at January 4, 1951.

Mr. Gregg explained that lay-offs were usually heaviest at the year-end and as a result applications for employment at National Employment Service offices usually showed the largest gains in the first and second weeks of January. This year 21,200 applications were added during the week ending January 4, and while this was less than the number added in the same week last year it was more than for the same period a year earlier (1948-49).

The Ontario Region which had shown relatively small gains up until this week, reported an increase of 6,400. Quebec showed the next largest gain with 4,700, and the Prairies followed with 4,000. Despite these gains, however, applications in all regions except the Prairies were still well below last year's level at January 4.

Applications from men rose by 17,200 and women by 4,000 during the week, bringing the number on file to 190,400 and 57,700 respectively at January 4.

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WHEAT STOCKS: Deliveries of wheat by farmers in the Prairie Provinces during the week ending January 4 were almost two-and-one-half times the amounts marketed in the corresponding week of 1950, and with smaller overseas export clearances the visible supplies of

Canadian wheat in North America were 36 per cent above last year's total.

Marketings amounted to 4,560,268 bushels compared with 1,900,587 bushels a year ago, and the overseas export clearances totalled 1,152,895 bushels as against 1,572,298, while the stocks of Canadian wheat in store or in transit in North America at midnight on January 4 aggregated 225,203,508 bushels compared with 165,975,748.

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FARM CASH INCOME LOWER: Cash income of Canadian farmers from the sale of farm products in 1950 amounted to \$2,169,251,000, according to an advance preliminary estimate by the Bureau of Statistics. This figure was down 12 per cent from both the preceding year's total of \$2,546,871,000 and \$2,459,393,000 in 1948, but substantially above the 1947 total of \$1,967,263,000.

The reduction in 1950 was largely attributable to the substantial decline in returns realized from the sale of grains. In this connection, Canadian Wheat Board payments in 1950 were far below those of 1949. In addition, the initial price of wheat to producers in the Prairie Provinces was lowered at August 1, 1950 from \$1.75 to \$1.40 per bushel basis No. 1 Northern in store Fort William-Port Arthur. Severe August frosts in the Prairie Provinces caused considerable damage to grain crops and sharply reduced average grades.

SUPPLEMENTARY PAYMENTS

In addition to the above totals, supplementary payments made under the provisions of the Prairie Farm Assistance Act in 1950 totalled \$21,182,000 as compared with \$17,628,000 in 1949, \$20,742,000 in 1948, and \$11,577,000 in 1947.

Most of the decline in cash returns took place in the Prairie Provinces. Totals for Ontario and British Columbia were slightly lower but there were advances in the Maritime Provinces and Quebec.

Total for Ontario, largest among the provincial figures, was \$650,694,000 as compared with \$653,512,000, Saskatchewan being next with \$404,830,000 compared with \$556,350,000, Alberta \$372,996,000 compared with \$460,218,000, and Quebec \$354,331,000 compared with \$346,714,000.

Manitoba was next in order at \$192,088,000 as compared with \$238,117,000 in the preceding year, followed by British Columbia with \$97,154,000 compared with \$98,041,000, New Brunswick \$45,695,000 (\$44,203,000), Nova Scotia \$39,029,000 (\$37,969,000), and Prince Edward Island \$22,524,000 (\$21,247,000).

The regular annual estimates based on more complete data and including details by commodities as well as revisions for 1948 and 1949 will be released about the first of March.

HOUSING STARTS HIGHER: Construction was started on more new dwelling units but fewer were completed during the first nine months of 1950 than in the corresponding period of 1949, and the backlog of new residential units in various stages of construction at the end of September was substantially higher than a year earlier, according to the monthly estimate of new residential construction covering last September by the Bureau of Statistics.

Starts on new dwellings in the nine months increased to an estimated 71,945 units for all Canada as compared to an estimated total of 67,862 in the same 1949 period, while an estimated 59,431 units were completed as against 62,998 the previous year. There were increases in the number of starts in the Maritime Provinces, Quebec and the Prairie Provinces and decreases in Ontario and British Columbia. Completions were also higher in the Maritime Provinces and Quebec, but lower in the other three regions.

At the end of September last year an estimated total of 69,957 units were under construction as compared to 61,115 on September 30, 1949. The unfinished backlog was larger in all regions except British Columbia.

Starts during September numbered 10,245, including 439 in Newfoundland as compared with 10,035 in September, 1949, when Newfoundland was not included in the survey. There was a considerable increase in Quebec in the month, but decreases in all other regions. September completions totalled 7,893, or 7,684 excluding Newfoundland as compared with 7,563, being substantially higher in Quebec and British Columbia but lower elsewhere.

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LABOUR INCOME AT PEAK: Canadian labour income reached an all-time monthly peak of \$723,000,000 in October, up one per cent over the September figure of \$716,000,000, and a rise of nine per cent over the October, 1949 total of \$663,000,000. This raised the aggregate for the first 10 months of 1950 to \$6,678,000,000 from \$6,327,000,000 in the corresponding period of 1949, or by 5.5 per cent.

There were advances in all main labour income groups in October over the same month of 1949, and in the 10 months only one group -- agriculture, logging, fishing, trapping and mining -- moved downward.

Labour income in manufacturing, largest group, rose in October to \$244,000,000 from \$219,000,000 a year earlier, and in the 10 months the total advanced to \$2,264,000,000

from \$2,147,000,000. October total for transportation, communications, storage and trade rose to \$188,000,000 from \$175,000,000, and in the 10 months to \$1,754,000,000 from \$1,671,000,000.

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BORDER TRAFFIC RECORD: Foreign vehicles entering Canada on traveller's vehicle permits climbed to a new annual peak in 1950, the number of entries, which excludes repeat trips by summer residents and commuters, increasing 3.5 per cent over the previous high reached in 1949. The largest increases over the preceding year were in Ontario, New Brunswick and Quebec.

The aggregate number of entries into Canada during the calendar year 1950 amounted to 2,060,048 as compared with 1,989,954 in 1949, and 1,823,988 in 1948. Nova Scotia and Manitoba were the only areas to record declines from 1949.

Foreign vehicle entries in December totalled 58,097, an increase of four per cent over the December, 1949 figure of 55,855, all areas contributing to the rise except Nova Scotia and Quebec.

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CANADA-U.S. TRAVEL: Travel by plane between Canada and the United States was higher in October and the first 10 months of 1950 but there were decreases in travel by rail, bus and boat, according to the Bureau of Statistics.

Non-resident entries from the United States by plane in October totalled 13,665 as compared with 11,016, rail 33,668 compared with 37,129, bus 21,521 compared with 25,548, and boat 5,523 compared with 6,637. During the 10 months ending October entries by plane numbered 137,802 compared with 119,249, rail 392,029 compared with 481,596, bus 376,772 compared with 397,357, and boat 207,046 compared with 295,253.

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MR. C. C. BAKER'S APPOINTMENT: Appointment of Clarence C. Baker, K.C., an Ottawa barrister, to the Citizenship Revocation Commission was announced on January 18 by the Minister of Citizenship and Immigration, Mr. Harris.

The Citizenship Revocation Commission inquires into cases in which the revocation of naturalization or citizenship certificates is proposed, and reports its findings to the Minister of Citizenship and Immigration.



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WEEK'S EVENTS IN REVIEW

EXPORTS TO U.S. AGAIN RISE: Canada's commodity exports in November again increased in value over a year earlier to the United States, Latin America and Europe but these gains were nearly equalled by decreases to the United Kingdom, other Commonwealth countries as a whole, and the remaining foreign countries, leaving the total value of the month's exports to all countries only slightly higher than in November, 1949.

November shipments to the United States were six per cent below the all-time peak reached in October but 12 per cent above the corresponding month of 1949, being valued at \$192,000,000 as compared to \$204,400,000 in October and \$171,300,000 in the previous November. Total value for the 11 months rose 36 per cent to \$1,829,478,000 from \$1,343,693,000 for January-November, 1949.

Total value of exports to all countries in the month was \$292,700,000 as against \$292,300,000 in November, 1949. For the 11 months of the year the cumulative total was \$2,828,500,000, up about 4.5 per cent from \$2,707,411,000 in the corresponding 1949 period. Declines were shown during the 11 months only in January, February and April.

Exports to the United States accounted for 65.6 per cent of total shipments to all countries in November as against 58.6 per cent a year earlier, while the 11-month proportion was 64.6 per cent as compared with 49.6 per cent in the corresponding period of 1949.

Two groups -- wood products and non-ferrous metals -- accounted for a major part of the

gain in exports to the United States in November. There were lesser gains in other groups except agricultural products which declined sharply. The wood and paper group rose from \$69,744,000 to \$93,804,000, non-ferrous metals from \$19,057,000 to \$34,923,000, iron products from \$10,478,000 to \$12,197,000, and non-metallic minerals from \$5,663,000 to \$7,561,000. The animal products group was slightly higher at \$25,197,000 against \$25,172,000, but agricultural products fell from \$35,958,000 to \$19,082,000. Chemicals moved up to \$5,940,000 from \$2,484,000, and miscellaneous commodities to \$1,770,000 from \$1,715,000.

Exports to the United Kingdom in November were valued at \$38,580,000 as compared with \$56,807,000 in the same month of 1949, and in the 11-month period the value was down to \$430,355,000 from \$655,072,000.

There was a mixture of gains and losses among the commodity groups of exports to the United Kingdom in November, four moving up and five down. Biggest gain was shown for non-ferrous metals which advanced to \$8,094,000 from \$5,496,000. Major declines were in the agricultural group, largest of the nine, which dropped to \$18,854,000 from \$31,999,000, and the animals group, down to \$4,261,000 from \$8,807,000. Wood and paper, fourth in size, declined to \$4,691,000 from \$5,787,000.

Exports to the rest of the Commonwealth in November declined to \$15,311,000 from \$22,311,000, and in the 11-month period decreased to \$168,134,000 from \$283,273,000 a year earlier.

EVACUATION OF INCHON: On Board H.M.C.S. Cayuga, January 6 -- Less than four months ago this Canadian destroyer was part of a mighty United Nations armada carrying troops, equipment and supplies, which converged on Inchon Harbour for the historic landing in mid-September. On January 4 the Cayuga was part of another armada, but the ships were heading the other way, leaving Inchon as U.N. forces withdrew down the west coast in the face of the onrushing Communist armies.

The Cayuga was a unit of a British Commonwealth naval force assigned to escort fuel and supply ships out of the harbour and get them started on their way to bases further south. There was no mass evacuation of troops by sea but supply, hospital, fuel and ammunition ships of the U.N. Logistics Command on the west coast were involved.

In addition to naval and logistics ships there were hundreds of small barges, motor vessels and junks with patched sails, all loaded to the gunwales with Korean refugees leaving the area. They headed out of Inchon and shaped a southerly course towards safety from the Reds.

GRANDSTAND VIEW

Officers and men of this destroyer got a grandstand view of the scene Thursday night as the ships moved out of the harbour and demolition and bombardment began.

Lieut. Andrew Collier, of Salmon Arm, B.C., the Cayuga's navigator, told of "hordes of junks and small craft streaming out of the harbour. Their port and starboard lights dotted the night like lights on a Christmas tree."

The Cayuga, commanded by Captain Jeffrey V. Brock, of Winnipeg and Vancouver, completed one escort job at nightfall and returned to the harbour to lend support if required.

The U.S.S. Rochester, American heavy cruiser, lay close inshore and directed her fire beyond the city at the road leading from Seoul to Inchon. Shells from her guns traced fiery arcs in the black sky as round after round was lobbed a distance of some 10 miles. Sometimes the glowing shells were lost sight of momentarily in low hanging clouds.

In the city of Inchon itself, army engineers blew up port facilities, communication lines and supply dumps, leaving nothing of any use to the enemy. One giant explosion made a great red glow as it billowed hundreds of feet into the night. Fires broke out along the waterfront and burned for several hours.

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ALBERNI HARBOUR MODEL: A 23-foot hydraulic working model of Alberni harbour, B.C., which will reproduce in miniature tidal effects similar to those of the actual harbour, is being constructed at the Pacific Biological Station of the Fisheries Research Board of Canada, it has been announced by Dr. J.L. Hart, station director.

IMPROVING QUALITY OF FISH: Fisheries scientists from Newfoundland to British Columbia are engaged in the improvement of the quality of fish which enter the domestic and export markets.

Their search to obtain uniformly high-quality fish products is carried on not only in laboratories, but also at sea, in processing plants, with transportation facilities and finally through tasting panels of consumers.

Dr. Neal M. Carter, in presenting his 1950 report of the Pacific Fisheries Experimental Station, Vancouver, B.C., to the annual meeting of the Fisheries Research Board of Canada revealed that an important adjunct to the station's refrigerated vessel work is the comparison of tasters' opinions of samples of fish.

The "Tasting Panel" includes families of doctors, business men, public health workers and labourers, to obtain cross-section opinions. Members of the panel taste samples of fish which, unknown to them, have been frozen on board the fishing vessel or handled by one or more of the present conventional commercial methods of providing fresh or frozen products.

By the use of the panel, the station hopes to assess consumer appeal of British Columbia fish frozen on board the fishing vessel soon after catching, as compared with the same kind of fish merely packed in ice as is the present common method of bringing fish to port from distant fishing grounds.

The Vancouver fisheries station is also experimenting in the use of fish in baby foods, and the preparation of canned corned whalemeat as well as with other types of fish products. A new type of canned pre-fried fish cake was developed which is now being marketed successfully.

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LABOUR FORCE 5,201,000: Canada's total civilian labour force was virtually unchanged in size between November last year and a year earlier but the proportion and number of persons without jobs declined and there was a shift in agricultural and non-agricultural employment, according to the quarterly sample survey of the labour force during the week ended November 4, 1950, by the Bureau of Statistics.

Estimated size of the total labour force at the latest survey was 5,201,000 as compared with an estimated 5,200,000 in the week ended October 29, 1949. Out of the total, an estimated 5,084,000 persons or 97.7 per cent had jobs as against 5,053,000 or 97.1 per cent 12 months earlier. Persons without jobs and seeking work dropped to 117,000 from 147,000, or to 2.3 from 2.9 per cent of the total labour force and to 3.1 from 3.9 per cent to the paid workers in the labour force.

EMPLOYMENT HIGHER: Industrial employment showed continued improvement at the beginning of November, the advance index being 0.3 per cent higher than at October 1, and 4.2 per cent above November 1, 1949. The sums disbursed in weekly wages and salaries rose 1.1 per cent in the month, and were 10.4 per cent higher than at the first of November, 1949. The advance figure of average weekly earnings in the eight major industrial groups rose to a new high record at November 1, standing at \$46.39 as compared with the previous maximum average of \$46.00 at October 1, and the per capita earnings of \$43.80 at November 1, 1949.

Heightened industrial activity as compared with a month earlier was recorded in Quebec, Ontario, Manitoba and Saskatchewan, the gain of 0.9 per cent in Quebec being most noteworthy. The trend of employment in the remaining provinces was downward, the advance index number in Prince Edward Island falling 3.7 per cent, Nova Scotia 0.7 per cent, New Brunswick 2.0 per cent, Alberta 0.8 per cent, and British Columbia 1.9 per cent.

The advance index number of employment in manufacturing showed a seasonal decline at November 1 of 0.2 per cent as compared with a month earlier, but exceeded the November 1, 1949 figure by 4.3 per cent. The decline in the month was accompanied by a gain of 1.0 per cent in the weekly wages and salaries disbursed. Per capita earnings stood at \$48.03 -- the highest figure in the record of over 9½ years -- as compared with \$47.57 at October 1, and \$45.10 at November 1, 1949.

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SKILLED WORKER SHORTAGE: The employment situation at the end of 1950 is in sharp contrast with that of a year before, the Minister of Labour, Mr. Gregg, said in a statement of January 5. Surpluses of skilled and semi-skilled labour in manufacturing have disappeared, and the burden of seasonal unemployment now is much less than last winter. Currently, many of the workers displaced from agriculture, construction and other seasonal industries have found work in the logging industry. Last year, the low labour needs of logging meant few winter job opportunities for the worker who usually moves from one seasonal industry to another.

This sharp change in the employment situation is reflected in the fact that registrations at local employment offices in most sections of the country have continued well below last year's total. At December 14, there were 207,400 applications for jobs on file at National Employment Service offices, an increase of 21,100 over the total two weeks before but 41,800 less than one year ago.

Recent cold weather, and shortages of materials have terminated most outdoor construction work, although the number of workers employed on inside building jobs continued to exceed that of last year. The closing of na-

vigation on the Great Lakes meant the end of the season's employment for many sailors and stevedores. The effect of this was especially noticeable in the Montreal area, where the port was closed for the winter with ocean shipping being transferred to Halifax.

In order to meet the continuing strong demand for producers equipment and consumer durable goods such as automobiles and electrical appliances, these industries are requiring many workers with the same sort of skill and training as needed by the aircraft and munitions industries. Machinists, tool and die makers, welders, moulders and fitters in the metal manufacturing industries continued in short supply. There is also a strong demand for men experienced in semi-skilled work on metals and machine tools.

Employment in the logging industry was at its seasonal peak in almost all sections of the country, and approached the level reached in the record season of 1947-48. Except in a few areas, the heavy demand for labour at the beginning of the cutting season has been met. In the base metal mining industry, there is a considerable shortage of skilled miners and workers suitable for further training in semi-skilled jobs in the mines.

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NEW SILICA SAND INDUSTRY: A new Canadian industry that will supply silica sand suitable for making the best grades of glass is foreseen by the Minister of Mines and Technical Surveys, Mr. Prudham, as a result of the co-operative efforts of officers of the Department's Industrial Minerals Division and Colonel G. Couture of Quebec City who will finance the new industry. The site of the industry will be at Bells Corners a few miles west of Ottawa where Colonel Couture, acting on information supplied by the Division, discovered, by diamond drilling, a large deposit of high grade sandstone suitable as a source material for silica sand.

Sinking of a mine shaft to a depth of 120 feet to reach the desired sandstone has already been started and construction of a processing plant is expected to commence in the spring. Sufficient sandstone of the required quality will be taken from the shaft for a large scale continuous processing test in the Department's laboratories in Ottawa and the products will be shipped to industries for plant-scale trials.

Though there is no dearth of sandstone in Canada, most of the deposits so far examined contain iron, alumina, and other impurities that render them unsuitable in their natural state as a source material for silica sand that would meet the specifications of industry. As a result the entire Canadian requirements are imported, the imports in 1949 being 511,116 tons at a cost to industry of approximately \$4,000,000.

DOLLAR STERLING TRADE BOARD: Commenting earlier on the work of the Dollar Sterling Trade Board, the dissolution of which was announced on January 8 by J.S. Duncan, Chairman of the Board, the Minister of Trade and Commerce, Mr. Howe, congratulated Mr. Duncan and his colleagues upon the contribution they have made toward the promotion of British sales in this country and consequently toward the relief of the United Kingdom's dollar problem.

"We welcomed the formation of the Dollar Sterling Trade Board and gave it our strong support" said Mr. Howe. "The Board has been conspicuously successful both in promoting imports from the United Kingdom generally and in lending its influence in individual cases. British exports to Canada have substantially improved in the past year, and the United Kingdom's dollar problem has become much more manageable. There are encouraging signs of some liberalization of controls against our exports to the United Kingdom. For their part in bringing about these improved conditions, I should like to express my sincere thanks to Mr. Duncan and his Board colleagues."

Welcoming any efforts that may be made by businessmen to continue the work accomplished by the Board, Mr. Howe said: "Notwithstanding the striking improvements which have taken place over the past year, a good deal remains to be done in the field of trade promotion, and there will undoubtedly be questions arising from time to time that require consultation among industrialists. I am particularly happy to see that consideration will be given to the further expansion of Canadian exports to the United Kingdom market which has long been a traditional one for Canada. The expansion and growth of two-way trade between Canada and the sterling area must continue to be one of the main objectives of Canada's trade policy," Mr. Howe concluded.

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"CANADIAN OCCUPATIONS" SERIES: The Minister of Labour, Mr. Gregg, has announced the publication of another number in the "Canadian Occupations" series of monographs and pamphlets prepared by the Economics and Research Branch of the Department.

This new publication deals with the Machinist and Machine Operator Trades. It is the first publication in the series to deal with occupations in manufacturing.

Other publications already in the press cover occupations in the printing industry, and in automotive mechanical and repair work. Monographs covering the building trades and those in natural science and engineering have already been issued.

In advanced stages of preparation are publications on the baking industry, on foundry work, on electronics occupations, on non-professional hospital work, and on mine workers.

CIVIL DEFENCE STAFF FORUMS: A series of Civil Defence staff forums, each of 12 days duration, will begin at Ottawa and Hull on January 29, the Minister of National Defence, Mr. Claxton, announced on January 8. There will be three such courses with one week interval between each.

Mr. Claxton said that key provincial and municipal employees actively connected with organization and planning for civil defence will attend on a quota basis. Approximately 30 persons, men and women, will be on hand when the first forum gets underway at de la Salle Armouries in nearby Hull.

Object of the forums is twofold: (1) To ensure uniformity in organization and functional procedures throughout Canada; and (2) to permit study and discussions of the various problems concerning civil defence at each level of Government and under varying local conditions.

Under the direction of Federal Civil Defence Co-ordinator, Maj. Gen. F.F. Worthington, a directing staff will guide discussions following lectures from various officials prominent in fields related to the overall civil defence picture. The delegates, separated into syndicates, will discuss the problems which arise and later compare their solutions with those offered by the Directing staff.

Federal employees, senior officers from the Armed Forces, members of the RCMP, industrial employees connected with organization and planning for plant protection, and representatives from national organizations such as St. John Ambulance, Red Cross, etc., may also attend the forums.

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FISHERIES RESEARCH BOARD REPORT: Higher quality fish are being landed at Eastern Canadian ports as the result of the work of Canadian fisheries scientists in the field of refrigeration aboard fishing vessels at sea.

A further increase in quality is expected to result from new investigations now being conducted by technologists and scientists of the Atlantic Fisheries Experimental Station at Halifax, N.S.

Dr. S.A. Beatty, station director, told the annual meeting of the Fisheries Research Board of Canada in Ottawa on January 5 that two new trawlers are being built with fully jacketed holds which were designed entirely by engineers of the station.

"We have little doubt about the efficacy of the installations, insofar as the landing of fish in prime condition is concerned," said Dr. Beatty.

The Halifax fisheries experimental station is also conducting insulation experiments aboard another vessel of Canada's East Coast fishing industry. However the relative advantages of insulation against refrigeration have not been determined with certainty.

GRAND BANK FISHERIES: If you want to see real internationalism in a common occupation take a look at the fishing grounds adjacent to Canada's East Coast. There in the fertile waters of the Northwest Atlantic vessels from Spain, Portugal and many other far off ports have for centuries sought the fat cod and other groundfish.

The number of these foreign vessels frequenting the banks is rapidly increasing. Dr. A. W. H. Needler, director of the Atlantic Biological Station, St. Andrews, N.B., told the Fisheries Research Board of Canada annual meeting last week. He said there was no immediate danger of overfishing, but emphasized it was important to recognize it should it threaten and attempt a remedy should it occur.

Reviewing his station's work on groundfish, which is the largest branch of the fisheries both in the Maritime area and Newfoundland, Dr. Needler said groundfish catches by Canadian vessels could be greatly increased. Groundfish include such species as cod, haddock, hake, pollock, cusk, halibut and flounders.

Fishing on the famed Grand Bank of Newfoundland and other banks in the Northwest Atlantic is "international and highly competitive", reported Dr. Needler. He stressed the importance of efficiency in catching methods and high quality. The groundfish investigations, he said, are designed to meet the needs of the Canadian competitive position and of possible future international conservation.

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CRUISER ONTARIO TO AUSTRALIA: The Royal Canadian Navy cruiser H.M.C.S. Ontario (Commodore Hugh F. Pullen, of Oakville, Ontario, and Victoria) will sail from Esquimalt February 19 on a 15-week training cruise to Australia, it was announced on January 5 by Naval Headquarters.

On the invitation of Prime Minister R. G. Menzies of Australia, the Ontario will take part in early April in combined exercises with units of the Royal Australian Navy. She will return to Esquimalt June 7.

This will be the first training cruise ever made to Australia by a ship of the Royal Canadian Navy. It is intended that the Ontario visit various ports in Australia but details of her programme have not yet been completed.

The cruiser has been in the dockyard at Esquimalt for a refit.

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B.C. SALMON PROBLEM: Lumbering operations and water power development are decreasing the spawning beds for British Columbia salmon, creating a long-range problem of fisheries conservation on Canada's West Coast, Dr. J. L. Hart, director of the Pacific Biological Station, told the annual meeting of the Fisheries Research Board of Canada last week.

MR. F. V. C. HEWETT'S APPOINTMENT: Appointment of Frank Victor Charles Hewett, 43, of Toronto, as Director of the Non-Ferrous Metals Division of the Department of Trade and Commerce was announced on January 6 by the Minister of Trade and Commerce, Mr. Howe.

Mr. Hewett was born in Blackpool, England, and came to Canada as a boy. He graduated from the University of Toronto in 1933 with a B.A. Sc. degree in mining engineering. From 1933 to 1940, Mr. Hewett was employed by The Northern Miner, Toronto, as field editor and in 1940 he left to become assistant manager for the operating company of No. 4 Air Observer School in London, Ontario. He joined the office of the Metals Controller in the Department of Munitions and Supply in May 1941, as Executive Assistant and was Deputy Associate Metals Controller at the time of his resignation in February, 1945. He also acted as Executive Secretary of the U.S.-Canada Committee on Raw Materials. Since 1945 he has practised in Toronto as consulting mining engineer and is a director of several producing mines and exploration companies.

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COST OF LIVING STILL RISES: The Bureau of Statistics cost-of-living index rose 0.4 points to 171.1 between November 1 and December 1, 1950. This compares with an index level of 161.5 at December, 1949. The latest increase results from slight advances in all group indexes, except rents, which were not surveyed.

Foods moved from 218.6 to 218.8, as small increases in dairy products and fruits and vegetables overbalanced decreases in meats and eggs. The clothing index rose 0.4 points to 184.9, due to increases in men's and women's wear, piece-goods and footwear. The largest group index advance was registered by home-furnishings and services, which moved up 1.6 points to 176.4, increases being general throughout this group. Slightly higher prices for coke advanced the fuel index from 140.6 to 140.7. The index of miscellaneous items rose 0.7 points to 134.1 following advances in personal care, recreation, and health sub-groups. The rent index remained unchanged at 136.4.

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HURON TO PEARL HARBOUR: The Tribal class destroyer H.M.C.S. Huron (Commander Edward T. G. Madgwick, of Ottawa) will sail from Halifax January 22 for Pearl Harbour, where she will be placed under United Nations command, Naval Headquarters announced on January 5.

It is intended that the Huron relieve H.M.C.S. Cayuga (Captain Jeffrey V. Brock, of Winnipeg and Vancouver) in Far Eastern waters early in March, enabling the Cayuga to return to her base at Esquimalt late in the same month.

RECORD POWER DEVELOPMENT: The Minister of Resources and Development, Mr. Winters, in his year-end summary of progress during the past twelve months in Canadian water-power development, reports that with 1,037,275 h.p. of new capacity coming into operation the year 1950 has established a new record in water-power development in Canada.

The total installed capacity of water-power plants in Canada is now listed at 12,654,835 h.p. which represents the development of about 23 per cent of total resources.

A large part of the 1950 increase in power supply is located in Ontario and Quebec, major additions being the Ontario Hydro-Electric Commission's nearly completed Des Joachims plant on the Ottawa River and the Shawinigan Water and Power Company's addition to the La Trenché plant on the St. Maurice River. Power development extended all the way to the Northwest and Yukon Territories where a diesel-generated power plant at Fort Smith, N.W.T. was completed in October and work begun on a 3,000-h.p. development on Mayo River, Y.T., to serve the silver-lead mines of the district. Other new plants and additions are well distributed across Canada. Hydro-electric developments and extensions which are under active construction total about 1,000,000 h.p. and those under preliminary construction or definitely planned are tentatively rated at 1,500,000 h.p.

As a result of an increase of about eight per cent in the demand for primary power during the year, there was also pronounced activity in the field of power distribution, which involved the construction of new main transmission lines and sub-stations and the extension of secondary lines. New fuel-power electric plants, and extensions to existing stations have also been completed or are under construction.

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EASIER ENTRY FOR ASIATICS: The Minister of Citizenship and Immigration, Mr. Harris, has announced a widening of the regulations governing the admissibility of Asians as immigrants to Canada.

By an amendment to Order-in-Council P.C. 2115, the husband, and unmarried children under 21 years of age, of Canadian citizens of Asian origin may now come to Canada, the Minister stated.

Prior to this amendment, only the wife, and unmarried children under 18 years of age, of Canadian citizens of Asian origin were admissible.

Mr. Harris said that hardships caused to Canadian citizens of Asian origin by family separation would be greatly eased by this measure.

As enemy aliens, Japanese are still not admissible to Canada.

R.A.F. TRAINEES ARRIVE: The first group of Royal Air Force aircrew trainees scheduled to earn their wings at R.C.A.F. flying schools during 1951 is to arrive by air at Dorval, Que. January 13, it was announced on January 10 by Air Force Headquarters.

The initial party will consist of 28 pilot trainees, and will arrive aboard a Hastings transport of the R.A.F. The group will proceed to R.C.A.F. Station London, Ontario from Dorval, for a two-week pre-flight course before going to Gimli, Manitoba, site of a newly-opened R.C.A.F. flying training school.

The trainees form the first contingent of 200 R.A.F. aircrew, including both pilots and navigators, to be trained in Canada during 1951. The agreement was announced jointly last August by the Minister of National Defence, Mr. Claxton, in Canada and Arthur Henderson, Secretary of State for Air in the United Kingdom.

Also undergoing flying training in Canada are more than 100 pilot and navigator trainees from Norway, the Netherlands, Belgium, France and Italy. These trainees, the first of whom arrived in Canada last August, now are training at Centralia, Ontario, and Summerside, P.E.I., where the R.C.A.F. has pilot and navigation training centres respectively.

It was announced recently by Mr. Claxton that Canada was offering the North Atlantic Treaty Organization the chance to increase substantially their training with Canada. The Minister added that he considered this "one of the most important ways in which our special facilities and experience can be made available to assist other countries in meeting the need they all feel".

This increase referred to would be in addition to the 200 R.A.F. and 100 Continental trainees previously mentioned.

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GOLD, U.S. DOLLAR HOLDINGS: The Minister of Finance, Mr. Abbott, announced on January 4 that Canada's official holdings of gold and U.S. dollars were \$1,742 million at December 31, 1950. The comparable figure for September 30, 1950, was \$1,790 million; for October 31, \$1,827 million; and for November 30, \$1,787 million. At the end of 1949 the corresponding figure was \$1,117 million. All these figures are in terms of U.S. dollars.

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NEW ARMY DRESS UNIFORM: Provided they buy their own and stick to a standard pattern laid down by Army Headquarters, officers and warrant officers (class one) of the Canadian Army can now wear smart new blue dress uniform when walking out or attending formal functions.

There is no compulsion to purchase the new clothing. Orders issued at year's end state wearing of dress uniform will be optional.

9,193 EX. OFFICERS WOULD SERVE: Almost 10,000 former officers of Canada's World War II Army have indicated their willingness to serve again if, when and where needed, it was announced last week.

All are members of the Supplementary Reserve and the majority have a wide range of field and combat experience.

Figures compiled at headquarters in Ottawa show a total of 9,193 applications from Supplementary Reserve officers since last August. Some 990 of those who indicated their willingness to serve were unacceptable by reason of being over age, medically unfit or already serving in another component of the Army. But the remainder, totalling 9,193, was accepted, allotted service numbers and formally placed on the Reserve of Officers subject to call-out when needed.

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INDUSTRY

Carloadings on Canadian railways in the last week of 1950 amounted to 54,396 cars as compared with 49,011 in the corresponding week in 1949. Cumulative loadings for the year nearly equalled 1949 despite the Manitoba floods and the nine-day rail strike, and totalled 3,905,667 cars compared with 3,906,674 in 1949, a decline of only 1,007 cars.

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Freight traffic through Canadian canal systems during October advanced to a near-record for the month at 3,819,231 tons, an increase of 35 per cent over the October, 1949 total of 2,820,223 tons,

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Revenues of Canadian air carriers reached an all-time high in August, the railway strike in the latter part of the month bringing considerable traffic to the air lines. Total for the month amounted to \$5,283,177, a gain of 25 per cent over the \$4,230,523 in August, 1949. Cumulative total for the first eight months of 1950 climbed to \$30,267,000, up 14 per cent from \$26,550,000 in the corresponding period of 1949.

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The value of production from Canadian shipyards in 1949 amounted to \$75,601,385, a decline of 29 per cent from the preceding year's total of \$106,783,268, and sharply below the wartime peak of \$376,560,974 in 1943.

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Landings and landed value of the sea fisheries of Canada -- excluding Newfoundland -- were sharply higher in November than in the corresponding month of 1949, marked gains being recorded for both the Atlantic and Pacific coasts. During the month, 149,574,000 pounds of fish were landed with a value of \$4,741,000

as compared with 115,506,000 pounds at \$2,859,000 a year earlier.

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Marketings of wheat by farmers in the Prairie Provinces increased sharply during the week ending December 14 over the corresponding week a year ago, and with larger overseas export clearances the visible supplies of Canadian wheat in North America rose 31 per cent above the 1949 total. Marketings during the week amounted to 6,620,807 bushels as compared with 3,977,303 a year ago, and the overseas export clearances totalled 2,395,374 bushels against 1,227,134.

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FISHERIES RESEARCH BOARD: Dr. G.B. Reed, O.B.E., of Queen's University, Kingston, was re-elected for his fourth year as Chairman of the Fisheries Research Board of Canada at the closing sessions of the annual meeting in Ottawa over the weekend.

Dr. J.R. Dymond, O.B.E., head of the Department of Zoology, University of Toronto, was also re-elected to the office of Vice-Chairman. In addition to Dr. Reed and Dr. Dymond other members of the Executive Committee are Dr. W.A. Clemens, University of British Columbia, Vancouver, B.C.; O.F. MacKenzie, Halifax, N.S.; R.E. Walker, General Manager of British Columbia Packers, Vancouver, and Dr. D.L. Thomson, professor of biochemistry, McGill University, Montreal, and D.H. Sutherland, Executive Director, Ottawa.

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DONALD F. BROWN, M.P., TO BOLIVIA: The Minister of Labour, Mr. Gregg, has announced that Mr. Donald F. Brown, M.P., of Windsor, Ontario, left on January 10 to attend the first meeting of the International Labour Organization's Committee of Experts on Indigenous Labour taking place at La Paz, Bolivia, January 16 - 27.

The Minister explained that the International Labour Organization had recently appointed as the Canadian expert on the Committee Mr. T.R.L. MacInnes, Indian Affairs Branch, Department of Citizenship and Immigration, but due to pressure of departmental business, Mr. Brown would substitute for him at the first meeting.

The Minister pointed out that Mr. Brown was well qualified to assist the I.L.O. in the study of problems of native populations since Mr. Brown was chairman for several years of a Parliamentary Committee which made an exhaustive study into Indian Affairs in Canada.

Other countries from which the International Labour Organization has recruited its experts are: Philippines, New Zealand, Mexico, Guatemala, United States, Bolivia, Peru, and Brazil. Their expenses to the La Paz meeting are being borne by I.L.O.

CANADIANS IN KOREA: Tokyo, January 11 -- "I've never seen a camp so well organized and functioning so smoothly," Brig. F.J. Fleury said last night on returning to his Canadian Military Mission headquarters after a five-day visit to Canadian troops "scattered all over southern Korea," says a National Defence Department news release.

Brig. Fleury, who came from Ottawa last September to open headquarters in Tokyo, said that Lt.-Col. J.R. (Big Jim) Stone and his battalion of the Princess Patricia's Canadian Light Infantry, bivouacked in a pine-grove tent camp on the banks of the Miryang River slightly removed from the fetid stench that marks Korea, "are too damn busy to worry about morale."

"They're hard as nails from scurrying up and down the rugged Korean hillside, training both day and night."

Digging for serious complaints, Brig. Fleury hit a dead end. Minor grouching, hallmark of the good Canadian soldier, takes the form of squawks that the "gorilla" hunting is very poor, or that the tarpaulin bathtub rigged in a one-ton jeep trailer is too rough on the skin.

So far the Princess Patricias are not too concerned about the communist hordes pushing south, but they're preparing for anything. Hillsides shake with the continuous "wham" of 17-pounders, heavy mortars and bazookas, and flame-throwers are also much in evidence.

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ON BOARD H.M.C.S. NOOTKA, JANUARY 10: Battle training reached its final phase on January 9 when the 270 officers and men of this destroyer closed up at action stations for a six-hour period and exercised almost every condition that warfare can impose. The Nootka is due to arrive this weekend in Japan, where she will relieve H.M.C.S. Sioux.

At six A.M., while the Nootka slipped beneath tropic stars and the first light of dawn tinged the eastern horizon, the action alarms rang throughout the ship. Then followed six

hours of intensive training. A few minutes after the men swarmed to their stations, the Nootka's anti-aircraft batteries shattered the darkness, with spurts of flame and streaking tracer shells arching skyward as simulated air attacks were carried out.

The pressure never let up. In the control positions, radar plotters sweated over their plotting tables, anti-submarine operators probed beneath the sea with the magic of their asdic, ammunition supply teams stood by their hoists, damage control parties swung into action as mock damage exercises were conducted, and guns' crews awaited the order to open fire.

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COST-OF-LIVING INDEXES: Cost-of-living indexes for seven of the eight regional cities registered increases between November and December. Among the sub-groups, food prices recorded narrow changes in eastern Canadian cities while prices were higher in western centres. This reflected mainly sharp seasonal increases for eggs in the West. Home furnishings and services indexes were higher in all cities as also were clothing prices. Indexes for miscellaneous items were unchanged to narrowly higher while fuel and lighting costs remained at the same level. Rentals also were unchanged since they were not surveyed in December.

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NEWSPRINT PRODUCTION PEAK: Canadian production of newsprint paper reached all-time peaks both in volume and value in 1949, according to the annual report on the pulp and paper industry released by the Bureau of Statistics. Output of other kinds of paper was generally below the levels of the preceding year. Average values per ton were higher during 1949.

Newsprint paper production in 1949 amounted to 5,187,206 tons valued at \$467,976,343 as compared with 4,640,336 tons at \$402,099,718 in the preceding year. Output in Quebec advanced to 2,704,995 tons from 2,696,838 in 1948, and Ontario to 1,223,636 tons from 1,198,075.

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WEEK'S EVENTS IN REVIEW

NEW REACTOR AT CHALK RIVER: The Government has authorized the Atomic Energy Control board to proceed with plans for the construction of an additional atomic energy pile at Chalk River, it has been announced by the Rt. Hon. C. D. Howe.

Ever since the present NRX reactor was put into operation, part of the time and thought of the research workers has been given to consideration and study of the different kinds of reactors that might be built when a second unit was required to replace or supplement the present NRX reactor.

During the past years general and comparative studies have been and are still being made of many different types of reactors, which would stress such factors as general research facilities, high neutron flux power, breeding, enriching and production. The one definite conclusion reached early on and held to date is that whatever detailed form any new reactor takes it should be a heavy water moderated reactor as this is the field in which Canada has most experience and can be expected to make its greatest contribution.

When the special Parliamentary Committee visited Chalk River last year, the matter of providing a second pile comparable in size to NRX was discussed and it was pointed out that, considering the uncertain life of the present

NRX reactor and the need for keeping ahead in this field, authority should be sought for the building of a new reactor in the not-too-distant future.

While it is yet too early to predict the exact size and power of the new reactor it can be said that the new pile will be much larger and many times more powerful than the present NRX reactor. Improvements will be incorporated in the design of the new pile in order to keep Canada in the forefront of advancing knowledge in this important field of scientific research. Two of the most important problems awaiting solution are "breeding" and the development of power-producing piles. The new reactor will provide the essential fuel, plutonium, and the facilities for attacking some of the fundamental factors involved in these two problems. Its high flux density will provide the means of further scientific research and at the same time enable more radioisotopes to be produced, especially the cobalt 60 isotope which has already proved of unique value in industrial radiography of castings. There is now a greater demand for this material than can at present be supplied. The NRX reactor at Chalk River is the only one in existence in which cobalt with such high specific activity can be made.

NEW IMMIGRATION PLAN: A plan to advance part of the cost of transportation to immigrants whose services are urgently required in Canada was announced today by the Minister of Citizenship and Immigration, Mr. Harris.

"The plan will come into effect on February 1, 1951," Mr. Harris said. "The advances will be made on a recoverable basis to the heads of families or single persons who do not have sufficient funds to pay their own way."

Mr. Harris outlined the details associated with this plan which constitutes a major development in Canada's Immigration policy:

"The advances made will apply to transportation from port of embarkation to destination in Canada. The immigrants, however, will be required to contribute not less than thirty dollars, or an equivalent amount in the currencies of their own countries.

"Immigrants accepting these advances must agree to work for a Canadian employer and remain in the same type of employment for a period of one year, or until such time as they have repaid the money advanced to them by the Government.

DEDUCTION FROM WAGES

"To facilitate repayment the immigrants will also be required to give their employers the authority to deduct amounts from their wages which will be applied against the loan. The period during which these deductions will be made will depend on the immigrant's earnings in Canada, but will not exceed twenty-four months."

The plan will be available to selected immigrants from the United Kingdom and Western European countries, and applications may be made to Canadian immigration offices in those countries.

Mr. Harris explained that this plan was developed because of the increasing difficulty being experienced in obtaining workers who can meet Canadian requirements. There are, however, many persons on the continent and in the United Kingdom whose skills are needed in Canada now, and will be more urgently needed in the event of an extensive manpower shortage in the spring of 1951.

It is not expected, however, that those with sufficient capital to purchase their own transportation will be interested in the scheme, since it does not offer them any advantage. It is designed solely to assist those whose services are needed in this country, but who cannot afford to pay all of the transportation costs immediately.

This new plan, Mr. Harris explained, does not conflict with the policy of some Canadian firms which have advanced funds to immigrants to help them pay for their passage, and it is expected that this practice will be continued.

MR. HOWE'S PREVIEW OF 1951: The Minister of Trade and Commerce, Mr. Howe, concludes his year end review, entitled, "The Canadian Economy in 1950," with the following preview of the year 1951:

"Looking ahead in the year 1951, it is only too apparent that the re-armament and defence programmes of the free nations of the world will be a major factor in the 1951 economic picture. Here in Canada, increased production to meet our own defence needs and to fulfil our commitments under the North Atlantic Treaty is bound to create problems in an economy already operating close to capacity. If we are to maintain our pay-as-you-go policy, if we are to keep inflationary pressures at a minimum, some adjustments will be needed. Shortages in the supply of critical materials will tend to keep prices up and will undoubtedly cut down on certain lines of civilian goods.

"The outlook as a whole, however, is one of continuing economic expansion. International trade should be at high levels, and although re-armament will tend to decrease exports in certain countries, the improvement in the world's economic and financial position in 1950 should make possible further reductions in trade discriminations and restrictions during 1951. The expansion of world trade on a healthy and multilateral basis is essential to Canadian prosperity and we must continue to co-operate in international measures to achieve this aim. In resources of manpower and materials, in greatly expanded productive capacity, we are an important part of the great North American potential.

"By co-operating with the free nations of the world, we can most successfully fight the forces of aggression and through our collective, co-ordinated efforts in 1951, maintain and increase the economic and financial improvement that was one of the outstanding developments of the international situation in 1950."

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FOREIGN VEHICLE ENTRIES: Foreign vehicles entering Canada on traveller's vehicle permits advanced six per cent in November over the same month last year, and were four per cent higher in the first 11 months of the year. Traffic was heavier in the month in all areas except Nova Scotia, Manitoba and British Columbia, while in the 11 months declines occurred in Nova Scotia and Manitoba.

The total number of entries in November was 80,927 compared with 76,120 in November last year, bringing the cumulative figure for the 11-month period to 2,002,774 units from 1,934,099 in the same months last year.

(Continued from p. 1)

NEW REACTOR AT CHALK RIVER

Construction of the new reactor will guarantee the permanency of Canada's position as a leading country in the development of all aspects of the peaceful applications of atomic energy for the benefit of mankind.

Early in January 1951, it is expected that the Atomic Energy Control Board will begin the preparation of plans for the new pile. It is hoped that sufficient progress will be made early in the year to permit actual construction to be undertaken in the late summer of 1951. Until plans are more matured it will be impossible to determine the date of completion. The schedule of operations will depend on the time required for development studies, the availability of essential materials, and other construction problems.

Canada's contributions in atomic energy research and in the application of isotopes to many different lines of work have won this country top recognition in nuclear physics. Research teams working in this great field have brought renown to Canada and the wise decision to maintain this leadership by providing adequate equipment for such studies will undoubtedly be given widespread support.

Estimates will be placed before Parliament at its next Session to cover the cost of this new pile, which is expected to be approximately \$30 millions.

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PETROLEUM PRODUCTS INCREASE: Output of refined petroleum products by Canadian refineries increased 17 per cent in September over the same month last year, and advanced 14 per cent in the first nine months of the year. Receipts of crude rose 13 per cent in the month and 10 per cent in the cumulative period.

September output of refined products amounted to 9,639,282 barrels as compared with 8,270,644 in September last year, bringing the cumulative production for the nine months to 74,485,494 barrels from 65,470,536 in the first nine months of 1949.

Output of motor gasoline was up in the month to 4,403,151 barrels from 3,890,269 in September last year, and in the nine-month period to 33,830,142 barrels from 30,178,497. Production of light fuel oil was sharply higher both in the month and nine-month period, the September output rising to 1,168,812 barrels from 871,022, and in the cumulative period to 8,156,937 barrels from 5,942,823. Production of heavy fuel oil advanced to 1,911,086 barrels from 1,762,438 in September last year, and in the nine months to 15,964,175 barrels from 15,126,679. There were also increases in both periods in naphtha specialties, kerosene,

diesel fuel, and asphalt, while aviation gasoline and tractor fuel were lower.

Crude oil received at the refineries during September amounted to 9,490,366 barrels against 8,403,653 a year earlier, and in the nine months totalled 78,150,437 barrels against 71,151,290. Receipts of domestic crude in September increased to 2,415,895 barrels from 1,940,774 last year, and imported crude rose to 7,074,471 barrels from 6,462,879. In the nine-month period, domestic crude receipts advanced to 19,400,087 barrels from 15,016,053, and imported crude was up to 58,750,350 barrels from 56,135,237 a year ago.

The United States was the largest source of Canada's imported crude oil supplies in the nine months, accounting for 22,476,939 barrels as compared with 21,345,841 in 1949, followed closely by Venezuela with 21,239,686 barrels compared with 27,069,585. Supplies from Arabia were up sharply to 13,022,472 barrels from 4,851,006, while the amount from Trinidad advanced to 1,931,366 barrels from 1,831,863.

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RAIL REVENUES AT NEW PEAK: Earnings of Canadian railways reached an all-time monthly peak total in September following the sharp reduction in August resulting from the nine-day strike. The increase was due mainly to a rise in freight revenues. Operating expenses were only slightly higher than a year earlier and net operating revenues and income both moved above last year's levels.

Revenues in September amounted to \$90,823,971 as compared with \$64,864,106 in August, \$85,115,749 in July and \$79,455,281 for September last year. Operating expenses rose from \$70,830,980 in September last year to \$71,062,461. Net operating revenues climbed to \$19,761,510 against \$8,624,301, but tax accruals jumped from \$1,747,335 to \$6,226,117, and net operating income advanced to \$12,749,500 from \$5,763,334.

Freight revenues for the month reached a record total of \$73,420,056, up \$10,868,062 over September, 1949. Passenger fares were off only two per cent from \$7,584,320 to \$7,430,337. Most expense items were heavier but maintenance of way and structures charges were down 8.1 per cent to \$13,799,312.

Revenue freight carried by the reporting lines totalled 14,267,821 tons, a rise of 2.4 per cent over the revised total of 13,932,234 for September last year. Ton miles increased only 1.5 per cent as average haul was 367 miles against 370 a year earlier. Revenue passengers totalled 2,321,080, some 10.5 per cent or 272,014 fewer than a year earlier, but the average journey rose from 106 to 115 miles.

FARM CASH INCOME IN NINE MONTHS: Cash income of Canadian farmers from the sale of farm products and from grain equalization and participation payments for previous years' crops during the first nine months of this year amounted to \$1,466,933,000; according to preliminary estimates by the Bureau of Statistics. This was 18 per cent below last year's corresponding total of \$1,798,966,000 and compares with receipts of \$1,754,001,000 in 1948.

In addition, supplementary payments amounting to approximately \$13,700,000 were paid out to farmers in the drought-stricken areas of the Prairie Provinces during the first nine months of the year as compared with \$9,200,000 in the same period of 1949, and \$15,800,000 in 1948.

The decline in cash receipts from the sale of grains and substantially smaller grain equalization and adjustment payments up to the end of September this year largely account for the significant drop in 1950 farm income. While approximately \$218,000,000 were paid to prairie farmers in the form of participation and equalization payments during the first nine months of 1949, only \$6,900,000 were disbursed during the January-September period this year.

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CANADA-UNITED STATES TRAVEL: Travel by plane between Canada and the United States was higher in the first nine months of this year than in the corresponding period of 1949, but was lower, by rail, bus and boat, according to figures released by the Bureau of Statistics.

Non-resident traffic from the United States by rail in the nine-month period totalled 358,361 as compared with 444,467 in the same months last year; bus, 355,251 compared with 371,809; boat, 201,523 compared with 288,616; and plane, 124,137 compared with 108,233.

Canadian travellers returning by rail in the nine months numbered 373,003 compared with 416,154 in 1949; bus, 447,615 compared with 450,514; boat, 53,423 compared with 95,237; and plane, 80,901 compared with 70,057.

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FOREIGN TRADE IN NOVEMBER: A summary of foreign trade figures for November released by the Bureau of Statistics shows a slight rise in the value of Canada's total domestic exports to \$292,700,000 as compared to \$292,300,000 in November, 1949, and an increase in estimated total imports to \$328,100,000 from \$239,600,000. Domestic exports to the United States rose to \$192,000,000 as against \$171,300,000, and to the United Kingdom declined to \$38,600,000 compared to \$56,800,000. Estimated imports from the United States amounted to \$216,300,000 compared to \$162,700,000, and from the United Kingdom to \$38,000,000 as against \$26,500,000. The import figures are only preliminary and therefore subject to revision.

FISHERIES RESEARCH BOARD MEETING: Sea-going fishery scientists, as well as those who work in laboratories and elsewhere in the field studying the biological and technological aspects of Canada's fisheries, assemble in Ottawa this week for the annual meeting of the Fisheries Research Board of Canada.

The meeting is being held in the Chateau Laurier from Wednesday to Friday and coincides with the meetings of the Canadian Committee On Freshwater Fisheries Research, the Joint Committee on Oceanography and the Canadian Committee on Food Preservation. The work of these groups is closely related to the investigations of the Fisheries Research Board of Canada, which is the scientific arm of the federal Department of Fisheries.

Professor G.B. Reed, O.B.E., of Queen's University, Kingston, is presiding over the sessions during which reports will be presented by directors of the Board's biological and experimental stations across Canada.

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AVIATION ACCIDENT INQUIRY: The Minister of Transport, Mr. Chevrier, announced on January 2 that the Board of Inquiry appointed by the French Government to investigate the recent unfortunate accident to a Canadian aircraft operated by Curtiss-Reid Flying Services of Montreal in French territory enroute from Rome to Paris, would hold public sittings in Canada in the near future.

The Minister explained that under international law and practice the Government of the country in which an accident took place was responsible in the first instance for conducting an investigation. The French Government accordingly had immediately nominated a Board of Inquiry which had already held sittings and pursued its investigations in France. J.P. Fournier, aviation inspector of the Canadian Department of Transport, had participated in these sittings as an official observer.

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COURT MARTIAL APPEAL BOARD: Establishment of a Court Martial Appeal Board to hear and determine appeals of Canadian military personnel convicted by Courts Martial was announced on January 2 by the Minister of National Defence, Mr. Claxton. The Board, with Hon. Mr. Justice J.C.A. Cameron of Ottawa, as Chairman, will be prepared to hear appeals when the appropriate provisions of the new National Defence Act are proclaimed.

In the past no appeal of a Court Martial finding was permitted. Appeals may be made as to (a) the severity of the sentence; (b) the legality of any or all of the findings; or (c) the legality of the whole or any part of the sentence. The officer or man convicted by a Court Martial has 14 days after receipt of the minutes of the proceedings of the court in which to launch an appeal.

1950 MINERAL PRODUCTION EXCEEDS BILLION DOLLARS

ALL-TIME HIGH VALUE: Canada's mineral production reached an all-time high value of \$1,040,000,000 in 1950, exceeding the billion-dollar mark for the first time in history, according to preliminary annual estimates by the Bureau of Statistics. The gain over the preceding year's value of \$901,000,000 amounted to 15 per cent. In the past 50 years there has been a 16-fold increase in value from the 1901 total of \$65,000,000.

The increase in value over the preceding year was quite general throughout the list of products but the principal gains were in crude petroleum, asbestos, gold, zinc, copper and nickel. For each of these, except gold, the 1950 value was the highest ever recorded. All provinces shared in the increased value except Newfoundland, where there was a small decline.

The estimated value of all metals was \$620,900,000, or 15.2 per cent more than in 1949. During the early part of 1950 the trend of base metal prices was downward but later advances yielded higher averages than in the preceding year. Copper production at 523,829,000 pounds was down from 526,914,000, but up 17 per cent in value to \$122,552,000 from \$104,719,000. Nickel declined to 246,114,000 pounds from 257,379,000, but rose 14.5 per cent in value to \$113,565,000 from \$99,173,000. Zinc output rose to 622,451,000 pounds from 576,524,000, and in value to \$97,414,000 from \$76,372,000, while lead advanced to 339,777,000 pounds from 319,550,000, but fell in value to \$49,098,000 from \$50,489,000.

Gold was again the leading mineral product from the value standpoint, rising from 148,447,000 in 1949 to \$168,540,000, and in quantity from 4,124,000 fine ounces to 4,431,000 fine ounces. On October 1, 1950, the Canadian dollar was permitted to find its own level in relation to the United States dollar, resulting in an average price of \$38.04 per troy ounce in Canadian funds in 1950 compared with \$36.00 per ounce in 1949.

Substantial increase in Alberta's crude petroleum production was largely responsible for a 9.8 per cent increase in the value of mineral fuels to \$201,700,000 from \$183,654,000. Crude petroleum production totalled 29,100,000 barrels compared with 21,300,000 the year before, and the value amounted to \$84,129,000 against \$61,118,000. Coal output was only slightly changed at 19,000,000 tons valued at \$110,042,000 compared with 19,120,000 at \$110,915,000. Production of natural gas was higher in volume but lower in value, amounting to 71,274,000 M cubic feet at \$7,555,000 compared with 60,457,000 M at \$11,620,000.

Non-metals or industrial minerals were valued at \$92,100,000 compared with \$64,600,000 in 1949. Asbestos production reached a new high at 877,700 tons at \$64,900,000 compared with 574,900 tons at \$39,746,000.

As a result of heavy demands for building materials, output of structurals moved to an all-time peak value of \$126,164,000 from \$113,903,000 the year before.

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LIAISON IN ARMY MEDICINE: Formation of liaison teams by the United States Army Medical Service and the Royal Canadian Army Medical Corps to further cooperation in standardizing military medical instruction and equipment of the two armies, was announced on January 3 by the U.S. Department of the Army and the Canadian Department of National Defence.

Colonel J.C. Van Valin, Director of the Department of Tactics, Techniques and Logistics of the Medical Field Service School at Brooke Army Medical Centre, Fort Sam Houston, Texas, visited Canada in November to inaugurate the series of personnel interchanges between the two countries in furtherance of the work.

Lieutenant-Colonel John Barr, Commandant of the Royal Canadian Army Medical Corps School at Camp Borden, Ontario, who is initiating the liaison plans in behalf of the Canadian Army, will be a guest of Colonel Van Valin in Texas in the near future.

This liaison is expected to save time and money for both countries through the exchange of specific information in fields in which each is an acknowledged leader. For instance, Canada will receive the benefit of American

experience in the field of tropical medicine while the United States will profit from Canadian research and development in Arctic medicine without the necessity for costly duplicatory efforts.

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BUILDING MATERIAL PRICES: Wholesale prices of general building materials moved lower again in November, but the composite index of residential building materials continued its unbroken series of gains since last March, according to price indexes compiled by the Bureau of Statistics.

The Bureau's index of general building materials declined 1.2 points to 232.9 from 234.1 for October. This compares with an October decrease of 3.0 points from 237.1 for September. At the November level, the index was 33.4 points above November, 1949, when the index stood at 199.5.

The composite index of residential building materials advanced 1.7 points from 259.5 for October to 261.2 for November, and was 34.9 points above the November, 1949 index of 226.3.

TO INCREASE AIR TRAINING FACILITIES

THREE SERVICES' REVIEW Canada is offering the North Atlantic Treaty nations increased facilities for the training of aircrew, the Minister of National Defence, Mr. Claxton, announced on January 4 in a year-end review and forecast of operations of the three services.

The following is the partial text of the Minister's statement:

"The Royal Canadian Navy had more men and ships at sea than ever before in peacetime. Training exercises like the successful cruise of the "Magnificent" and two destroyers through the North Atlantic and to Western European countries were crowned in the fine showing made by the three other destroyers in Korean waters....

"Twenty-seven ships are now on order, including an Arctic transport icebreaker, 7 anti-submarine vessels, 14 minesweepers and 5 gate vessels.

"Good though that progress is, in 1951 we want to complete seaward defences, press on with the building, refitting and recommissioning of ships and complete essential construction. Our aim is to double operational activities.

FULL-SIZED DIVISION

"The year's work for the Army began with its highly successful part in Exercise "Sweetbriar". Training was pressed on more realistically than ever. The enlistment and training of the 10,000 men in the Special Force added to the Airborne Brigade Group, specially trained for Canada's defence, the equivalent of two additional brigade groups. Taken together with the other operational units, this made our forces in being the equivalent of a full-sized division, capable of rapid assembly as such if that was desirable....

"In the R.C.A.F. we saw the acceptance of the offer we made to train aircrew for the North Atlantic Treaty nations by Belgium, Britain, France, Italy, The Netherlands and Norway. We are now offering the North Atlantic Treaty Organization to increase substantially their chance to train with us. I hope that it may be possible for them to take advantage of this offer and permit additional training to begin as soon as possible. Though this will involve the re-opening of several airfields and cost a very substantial sum, this is one of the most important ways in which our special facilities and experience can be made available to assist other countries in meeting the need they all feel.

"This year saw successful test flights of the first F-86 Sabre fighter to be built in Canada and of the Canadian-designed all-weather fighter, the CF-100 Canuck. These two form a great team. We are further accelerating the programme of production....

"This month we are sending a fighter squadron for operational training in the United

Kingdom. As the Prime Minister indicated, this may be made available to the Supreme Commander of the integrated force, to be followed later by additional squadrons.

"Important developments in airfields are taking place at Chatham, N.B.; Bagotville, Quebec; St. Hubert, Quebec; Uplands, Ottawa; Downsview, Toronto; North Bay, Ontario; Gimli, Manitoba; and at other locations in the West.

"During the last six months we have added nearly 25% to the strength of the three services, enlisting a total of 17,000 men, 10,000 of which were for the Special Force. The present establishment of 69,000 is fixed by the Governor-in-Council to exercise civil control over the size of the forces in accordance with the provisions of the National Defence Act. That figure will be increased as desired. The time has come when every young man must consider if it is not his duty to serve his country by joining either the reserve or active armed forces....

STEADY IMPROVEMENT

"Steady improvement has been made in reserve conditions and training, reflected in the 50% increase in strength during the last four years. We still need more men, particularly in the Reserve Army. Officers and men and civilians who support the reserve forces deserve particular appreciation and every possible encouragement in their all-important work. Conditions of training and service will be further improved.

"During the year we added substantially to our equipment of aircraft by purchasing from the United States Avengers for the Fleet Air Arm and Mustangs for the Air Force. Co-operation was strengthened with all North Atlantic Treaty nations, particularly the United States and United Kingdom. Shipment of the equipment for a division was completed to The Netherlands before the year ended. Arrangements have now been made for its replacement by purchase of U.S. equipment, to be entered upon during the next few months. Consequently, we shall be consulting the North Atlantic Treaty nations as to disposition of the equipment for another division, to be replaced in turn by U.S. type equipment. This is in line with our policy for Western Hemisphere standardization.

"Proposals under consideration would commit all of the \$300 millions appropriated for mutual aid at the Special Session of Parliament last summer. These proposals will include, we hope, the production of some equipment of exclusively Canadian design accepted as standard by the other nations.

"All these activities will be pressed on during 1951. This will involve heavy expenditures and hard work. We are determined that we shall do our part in building the bulwarks of peace...."



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

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WEEK'S EVENTS IN REVIEW

IMPORTS AT ALL-TIME PEAKS: Both Canadian commodity imports from the United States and total imports from all countries advanced sharply in value during October to new all-time peaks, slightly exceeding in each case the expanded values of exports to produce small import balances both with the United States and on overall account. During the 10 months ending October the debit balance with the United States was down steeply from a year earlier, and in trade with all countries Canada had a slight import balance in place of the customary export surplus.

Imports from the United States during October increased in value to \$208,300,000 from \$177,400,000 in September and were 24 per cent above last year's October value of \$167,600,000. Total domestic and foreign exports rose more sharply to \$207,400,000 from \$149,800,000 in October a year ago, a gain of more than 38 per cent, resulting in a debit balance of only \$900,000 as against \$17,800,000.

During the 10 months ending October, imports from the United States rose nearly six per cent in value from \$1,638,200,000 last year to \$1,733,400,000, while total exports increased about 40 per cent from \$1,188,700,000 to \$1,661,100,000. The debit balance for the period thus dropped from \$449,500,000 last year to \$72,300,000.

Total imports from all countries climbed 37 per cent in October to \$320,600,000 from \$234,300,000 a year ago, increases being recorded in imports from the United Kingdom, other Commonwealth countries as a whole, and other foreign countries as well as the United States. Total domestic and foreign exports were valued at \$318,900,000 compared to \$271,700,000, the result being an overall debit balance of \$1,700,000 compared to an export surplus of \$37,400,000 last year.

In the 10 month's trade with all countries, total imports advanced about 12 per cent to \$2,580,100,000 from \$2,308,200,000 in 1949, while total exports increased about five per cent to \$2,567,200,000 from \$2,438,700,000. For the 10 months there was thus an overall adverse balance of \$12,900,000 as against a credit balance of \$130,500,000 last year.

Imports from the United Kingdom in October were up substantially in value to \$41,700,000 as compared to \$19,450,000 a year earlier, but total domestic and foreign exports were down to \$48,000,000 from \$72,800,000, the export surplus dropping to \$6,300,000 from \$53,300,000. In the 10 months, imports from the United Kingdom were valued at \$332,000,000 as compared to \$260,200,000, a gain of nearly 28 per cent. Total exports to the United Kingdom in the period dropped to \$393,900,000 from \$601,-

AIRMEN TO TRAIN IN U.K.: Officers and men of 421 Red Indian Squadron, scheduled to train in the United Kingdom during 1951 are to be flown across the Atlantic next month, it has been announced by Air Force Headquarters.

The move will be made from the squadron's present Chatham, N.B. base to the Royal Air Force station at Odiham in southern England, where the Red Indians will be based. The squadron will leave its Vampire jet fighters in Canada and will be re-equipped with Vampires of a more advanced type after arrival.

Weather conditions and other factors may affect actual dates, but plans call for two North Stars of Air Transport Command to leave Chatham January 16th, in the initial major movement of 421 Squadron personnel. Other North Star flights will be made between then and the end of January to shift the rest of the squadron's personnel across the Atlantic. A small advance party is scheduled to fly to the UK from Dorval by commercial airlines the first week in January.

During their stay abroad the Red Indians (so nicknamed from their squadron badge, showing an Indian in full head-dress) will train with larger RAF formations. It is expected that the squadron will take part in exercises with the RAF on the European continent during their overseas stay.

Odiham, situated in Hampshire less than 40 miles from the heart of London, is no stranger to the RCAF. Several Canadian squadrons were based there during the war, including the first RCAF squadron to go overseas in World War Two, the No. 400 City of Toronto Squadron. The arrival of the Red Indians in England will mark the first overseas movement of a Canadian squadron since the war. An RCAF transport squadron, No. 426, has been operating across the Pacific since last July, but is based on the west coast, near Tacoma, Wash.

When No. 421 Red Indian Squadron arrives at Odiham, RCAF history will be repeating itself. The Red Indians, the first RCAF squadron to go to the United Kingdom since the end of World War Two, will be following the same path travelled by No. 400 (City of Toronto) Squadron, which was the first RCAF unit sent overseas during the last war.

* * * *

MR. J. C. LESSARD'S APPOINTMENT: The Prime Minister, Mr. St-Laurent, has announced the appointment of Mr. J. C. Lessard, Deputy Minister of Transport, as Chairman of the Canadian Maritime Commission.

Mr. Lessard's duties as Chairman of the Maritime Commission will be in addition to his responsibilities as Deputy Minister of Transport. He will serve as Chairman for the unexpired portion of the term of office of the former Chairman, the Honourable Mr. Justice Clyne of the Supreme Court of British Columbia. Mr. Justice Clyne's appointment as Chairman was to extend to October 31, 1952.

DESTROYERS 29 DAYS AT SEA: With the Canadian Destroyers off the West Coast of Korea - Dec. 19 - The three Canadian destroyers serving under United Nations command in Korean waters have begun the fifth week of their longest sustained patrol since they arrived in the Far East nearly five months ago.

H.M.C. Ships Cayuga (Captain J.V. Brock, of Winnipeg and Vancouver) and Sioux (Cdr. P.D. Taylor, Victoria) have been at sea continuously for 29 days. The Athabaskan (Cdr. R.P. Welland, Victoria) broke her string at 23 days when she went to port on a courier run and landed liberty parties for a few hours' shore leave.

The previous days at sea record among the Canadian destroyers was held by the Athabaskan, who had spent 23 days away from port while with the Seventh Fleet off the east coast of Korea during October.

The competition for the days at sea record has resulted in keen rivalry between the three ships. The Athabaskan claims she is still in the running but the other two say she disqualified herself by landing liberty men.

The three destroyers have been patrolling the west coast of Korea and standing by with British, Australian, Netherlands and Republic of Korea warships to render gunfire support, if necessary for United Nations military forces on shore.

* * * *

"NOOTKA" OFF FOR KOREA: On Board H.M.C.S. Nootka, En Route to Pearl Harbor - This 2,700-ton destroyer slipped from the Long Island naval base at San Pedro on December 18 and pointed her bows for Pearl Harbor, in the Hawaiian Islands. Scheduled to relieve H.M.C.S. Sioux in the Korean theatre, the Nootka will be placed under United Nations command on her arrival at Pearl Harbor.

The destroyer left her dock at San Pedro to the skirl of bagpipes. The 270 crew members looked back on a good run ashore in the greater Los Angeles area, where the traditional California hospitality was extended to the Canadians during their stay.

* * * *

MR. C. A. R. SNELL'S APPOINTMENT. Mr. Cyril Arthur Robert Snell, 46, of Winnipeg and Montreal, has been appointed General Manager of the Canadian Commercial Corporation, on loan from the Canadian National Railways, the Minister of Trade and Commerce, Mr. Howe has announced.

* * * *

WHEAT STOCKS: Deliveries of wheat by farmers in the Prairie Provinces during the week ending December 7 were 61 per cent above the amounts marketed in the corresponding week a year ago, and with smaller overseas export clearances the visible supplies of Canadian wheat in North America were 30 per cent above last year's total.

NEW INVENTION PROMISING FOR RAILWAYS

COAL-BURNING GAS TURBINE LOCOMOTIVE: The long-awaited development of an efficient coal-burning gas turbine locomotive loomed nearer recently with the signing of an agreement between the Department of Mines and Technical Surveys and McGill University to design, build, and test co-operatively an experimental stationary engine based on a recent invention by Professor Donald Mordell, Director of Gas Dynamics Laboratory at McGill. The invention, a new heat exchange cycle, exhibited promising potentialities in the operation of coal-fired gas turbines during preliminary investigations and design work carried out during the past six months by Professor Mordell and the Mines Branch.

Such a locomotive would prove an economic boon to Canadian railways and coal mines alike. To the railways it promises a locomotive with a high thermal efficiency at an extremely low operational cost and to the coal mines it would mean the opening up of a valuable market outlet for the large quantities of slack and other coal fines for which the market has been dwindling rapidly. Work toward the development of such a locomotive has been strongly recommended by the Dominion Coal Board.

With the signing of the agreement a team of research workers of McGill University and the Mines Branch under the direction of Professor Mordell will design and instal in the gas dynamics laboratory of McGill a complete prototype power plant on which to conduct tests

operations. The Mines Branch participation in the project is a follow-through of a phase of long-range research under Dr. T E Warren aimed at widening the use of Canadian coal in industry and for transportation purposes.

Keen interest in the project has been expressed by W.A Newman, Manager of the Department of Research, Canadian Pacific Railway Company, and S.W. Fairweather, Vice-President, Research and Development, Canadian National Railways, as the development of such an engine would effect substantial economy for the railways through the use of cheap fuel while maintaining a high thermal efficiency. Although the trend in railway locomotives has been to Diesel engines, railway officials have for some time looked to a gas turbine locomotive as the answer to heavy main line operation.

The successful development of a locomotive of this type would afford far-reaching advantages to the coal industry. The gradual loss of its valuable railway market to Diesel competition has seriously affected the economic position of the coal industry, an industry which is basically important to Canada particularly in the event of a national emergency. The successful utilization of such a coal-fired gas turbine would not only forestall the loss of the remaining railroad market but would result in the industry ultimately regaining much of the marketing ground already lost to dieselization.

* * * * *

NATIONAL REHABILITATION CONFERENCE: The Minister of Labour, Mr. Gregg, has announced the dates of the National Conference on the Rehabilitation of the Physically Handicapped. The Conference will be held at the King Edward Hotel, Toronto, on February 1, 2 and 3, 1951.

The Conference was originally scheduled for early last spring but was postponed due to the inability of some provincial delegates to attend because of the Winnipeg flood.

Mr. Gregg, Conference President, explained that this is the first federal-provincial conference of its kind in Canada, and is being arranged under the joint sponsorship of the federal Departments of Labour, Health and Welfare, and Veterans Affairs.

Invitations have been extended to provincial officials of all ten provinces, national voluntary agencies, and individuals with special experience in this field to join federal authorities in studying rehabilitation programs in Canada and abroad with a view to extending the services in this country to provide more adequate rehabilitation measures for the disabled.

CANADA SAVINGS BONDS The Minister of Finance, Mr. Abbott, announced on December 21 that sales of the Fifth Series Canada Savings Bonds total \$269,139,750 for the period of October 16th to November 30th.

673,581 Canadians bought \$155,416,000 worth through the Payroll Savings Plan - a dollar increase of 10.4% over Series Four. Size of the average application was up from \$222.28 in 1949 to \$230.73.

In commenting on these results, Mr. Abbott said, "Many have come to take such substantial totals almost for granted, and may miss their real significance. The noteworthy fact is that gross sales on such a scale are achieved solely through individual sales of relatively small amounts".

In the final regional standing in the Payroll Sales Division, Quebec led with a whopping 117.27% of last year's Payroll Sales.

General Sales to date stand at \$113,722,850 in over-the-counter purchases. Fifth Series bonds will remain on sale until further notice at investment dealers, banks and other savings institutions.

(Continued from p. 1)

IMPORTS AT ALL TIME PEAKS

900,000, and the credit balance fell to \$61,800,000 from \$341,700,000 a year ago.

In October trade with other Commonwealth countries and other foreign countries combined, imports exceeded total exports by \$7,100,000. In the 10 months there was an import balance of \$2,500,000 compared with a large export surplus in 1949. This change also was the result of reduced exports and increased imports.

* * * *

MR. ST-LAURENT TO VISIT FRANCE. The Prime Minister, Mr. St-Laurent, has accepted an invitation from the Government of the French Republic to visit Paris immediately after the meeting of Prime Ministers of the Commonwealth at London in January. If, as is anticipated, the meeting in London concludes on January 12, Mr. St-Laurent will spend the 13th and 14th in the French capital and will take advantage of his visit to meet the President of the Republic and to have conversations with the Prime Minister and other members of the French Government.

The Prime Minister plans to return directly from Paris to Canada.

* * * *

SKILLED LABOUR SHORTAGE. In recent weeks, thousands of unskilled and semi-skilled workers have been released from their seasonal jobs in construction, transportation and fishing. Although this increase in the seasonal labour surplus will not ease the current shortage of highly skilled men in the metal trades, many of those now coming on to the labour market are suitable for some of the semi-skilled jobs now available in manufacturing. Some of these workers from the seasonal industries are still finding work in logging, although the demand for woods workers is slowing down as camps are being filled in most logging districts, the Minister of Labour, Mr. Gregg, announced on December 22.

On November 30, applications for jobs on file at National Employment Service offices totalled 186,300, an increase of 22,500 over the total on November 16. The total number of applications was 34,500 below that of last year. This improvement over last year's employment situation was general in most sections of the country, and was particularly noticeable in Newfoundland which had faced a relatively serious unemployment situation last winter.

The shortages of skilled labour were most apparent in firms manufacturing machinery and equipment, and those producing consumer durable goods such as household appliances. Aircraft factories and firms with defence contracts were also seeking skilled labour of the same type as these industries, and tool and die makers, machinists, welders and moulders

continued in short supply. This demand for semi-skilled men with experience in the metal trades remained strong, and aircraft factories were engaged in a country-wide search for workers with some previous experience in this type of work.

Although shortages of key materials such as steel, aluminum and base metals have resulted only in sporadic layoffs in manufacturing industries, the uncertainty about future supplies is hampering plans for expansion of employment and production. In the construction industry, shortages of structural steel and construction materials have resulted in a number of layoffs. As well, unseasonable cold weather in the Prairies and in some sections of the Pacific region has made it necessary to lay off workers on outdoor projects sooner than expected.

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WHOLESALE SALES RISE: Dollar volume of wholesale sales in October was eight per cent higher than in the same month last year, but showed a seasonal decline of three per cent from September. Sales for the first 10 months of this year were five per cent above the similar period of 1949. The general unadjusted index, on the base 1935-39=100, stood at 339.7 for October as compared with 314.8 for October last year, and 351.5 for September.

October was the fourth successive month in which sales in Quebec recorded the greatest increase over 1949. Dollar sales in that Province were 12 per cent higher than a year ago, while gains of 10 per cent and nine per cent were shown for British Columbia and Ontario. Prairie wholesalers' sales were up five per cent and a gain of two per cent was registered in the Maritime Provinces.

The dry goods and apparel trades and hardware wholesalers continued to lead the nine trades surveyed.

* * * *

CONTROL OF HEALTH HAZARDS Health hazards from radioactive materials and from silica and alumina are among problems to be investigated with equipment being obtained for Ontario's division of industrial hygiene with the aid of federal health funds, the Minister of National Health and Welfare, Mr. Martin, has announced.

With the increasing use of radioactive materials in factories, in research laboratories and in hospitals, quicker and more accurate methods of determining radioactive contamination are imperative, Mr. Martin said.

* * * *

MR. W.W. SHARP'S APPOINTMENT: Mitchell William Sharp has been appointed an Assistant Deputy Minister in the Department of Trade and Commerce, the Minister of the Department, Mr. Howe, announced on December 22.

BUSINESS

Total value of inventories held by Canadian manufacturing industries advanced in October following a slight decline in September. This raised the preliminary index, on the base 1947=100, to 133.5 from 131.5 in September and 125.4 in October last year. The indexes for July and August were 133.3 and 133.8, respectively.

Department store sales increased six per cent during the week ending December 16 as compared with the corresponding week last year, according to preliminary figures.

Carloadings on Canadian railways during the week ended December 16 rose to 79,580 cars from 78,765 cars in the preceding week and a revised total of 72,019 in the corresponding week last year.

Milk production on Canadian farms was lower in October and the first 10 months of this year, according to estimates by the Bureau of Statistics. The month's output amounted to 1,287,465,000 pounds as compared with 1,417,745,000 in October last year, and in the 10-month period totalled 14,354,131,000 pounds as compared with 14,580,224,000 a year earlier. Advance reports received by the Bureau indicate that production was about nine per cent lower in November than in November last year.

ICAO LEGAL COMMITTEE SESSION: The protection which must be afforded innocent third parties on the surface against the risks of air navigation will be studied by the Legal Committee of the International Civil Aviation Organization during its Seventh Session which opens in Mexico City on January 2, it has been announced by ICAO in Montreal.

Legal experts from more than 25 countries will attempt to finalize a new draft convention on damage caused by aircraft to third parties on the surface with a view to having the convention adopted in 1951.

The new convention would eventually replace the Rome Convention of 1933 and the Brussels Insurance Protocol of 1938, which only a few governments have accepted. The new draft has been prepared to avoid some of the major objections to the original agreements.

YEAR OF ACHIEVEMENT FOR ARMY. With the unprecedented mobilization of a Canadian Army Special Force for possible overseas action topping all other efforts, the Canadian Army recorded 1950 as a year of outstanding achievement.

In a year's-end roundup of Army progress and activity released Dec. 29, the Minister of National Defence, Mr. Claxton, cited as "outstanding" the manner in which the Army had grown and come of age since being reorganized as a peacetime formation four years ago.

An encouraging sign was the substantial increase in the numbers of men now in Khaki. Figures compiled by Army Headquarters show, in addition to the 10,000 men recruited for the Special Force, increases of more than 2,000 in the Active Force and almost 3,000 in the Reserve Force although both formations contributed men to the CASF. Latest available statistics place the combined strengths of the Active, Special and Reserve Forces of the Army at 76,546 all ranks, or some 15,500 more than a year ago. Substantial increases in strengths of the Canadian Officers Training Corps and the Royal Canadian Army Cadet Corps were also recorded.

But the highlight of the year was the recruiting, training and dispatch of the Canadian Army Special Force to an American base, and the subsequent departure of one battalion to the Far Eastern war zone. The force, under command of Brig. John M. Rockingham of Victoria, B.C., trained in Canada only three months before leaving for further training at Fort Lewis, Wash. One unit, the 2nd Battalion Princess Patricia's Canadian Light Infantry, sailed for Korea on November 25 to serve under United Nations command.

COMMERCIAL CORPORATION APPOINTMENTS: Four appointments in the Canadian Commercial Corporation have been announced by W.D. Low, the Managing Director. Mr. Wilfred Raymond Harris M.B.E., 47, of Ottawa, has been named Assistant General Purchasing Agent. He will be succeeded as Director of the Emergency Production Allocation Division by Group Captain Victor Stephen James Millard O.B.E., C.D., 39, of Ottawa and Toronto, on loan from the Royal Canadian Air Force. Mr. Joseph Macklin Preddie, 35, of Ottawa and Goderich, has been appointed Assistant to the Managing Director, while Mr. Charles Auguste Drouin, 49, of Montreal and Quebec City, has been appointed Assistant to the General Purchasing Agent.

C.N.R. DIESEL PROGRESS: The following is an excerpt from the review of the year 1950, by Mr. Donald Gordon, Chairman and President, Canadian National Railways:

"Our diesel programme was advanced during the year when eight 1500-horsepower diesel locomotives were put into operation in freight service between Montreal and the Lake St. John area of Quebec. They enable the railway to handle more efficiently and economically the heavy traffic over the adverse grades to and from that area. Eighteen 600-horsepower diesel-

electric locomotive were delivered for use on Prince Edward Island, which will be the first Province to be completely served by diesel. Three electric locomotives were acquired for suburban service out of Montreal. We have on order, for delivery next year, 28 road diesel-electric locomotives of 1500-horsepower and 20 of 1,600; 22 switchers of 800-horsepower and 18 diesel-electric road switchers of 1,000 horsepower, three of them for use on the Montreal and Southern Counties Railway."

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WEEK'S EVENTS IN REVIEW

CANADA AT THE UN: The following is the partial text of the statement made on December 13 by the Secretary of State for External Affairs, Mr. Pearson, Representative of Canada, in the First Committee of the United Nations General Assembly, on the intervention in Korea of the Central People's Government of the People's Republic of China:

"I would like to say a few words...in support of the draft resolution proposed by the thirteen Asian members of our Committee. In doing so, I do not intend to deal with the only speeches which seem to have been made in opposition to this draft resolution up to the present time, the speeches of the representatives of the U.S.S.R. and of Poland, who were, if I may say so, as deficient in logic and historical and political truth as they were excessive in vulgar abuse and personal slanders. Those speeches, however, could hardly conceal the chagrin and the rage of those who made them, that the United Nations might be able to bring the fighting in Korea to an end at this time. That, of course, was the same attitude taken by the U.S.S.R. last June when a cease-fire was also attempted in the Security Council and ignored by the North Korean Communist forces. It was only in August, after those North Korean forces had begun to cease reaping the fruits of their aggression that the Soviet Union suddenly became interested in a cease-fire - and that interest has now apparently evaporated.

"The Soviet Union representative and the Polish representative said, of course, that they had a plan of their own to bring the fighting to an end, by all foreign forces withdrawing from Korea. How seriously they intend this suggestion to be taken is shown by the fact that they exclude from these foreign forces, as they call them, the only ones who are not there under the mandate of the United Nations to repel aggression, namely, the forces from China now assisting the aggressor.

"This draft resolution expresses the anxiety of its sponsors, which anxiety is shared by nearly all of us, that immediate steps should be taken to achieve three objectives: the first, to prevent the conflict from spreading; the second, to put an end to the fighting; and the third, after these first two steps have been taken, to then take steps for a peaceful settlement of existing issues in accordance with the purposes and principles of the United Nations. Those are three important and not limited objectives, and one follows logically on the other....

"My Delegation has, of course, no illusions, no easy optimism about the difficulties that will be encountered in the effort to implement this draft resolution. It may, although I hope it will not, turn out that the leaders of Chinese Communism will not cooperate in making this draft resolution effective once it is accepted by the General Assembly. It may be

MOTOR VEHICLE SALES RISE: Number of new motor vehicles sold and financed in October continued to rise above last year's levels but at a lower rate than in previous months this year. New vehicle sales rose 17 per cent in number in the month and 49 per cent in the 10 months ending October, while the number financed rose 38 per cent in the month and 71 per cent in the cumulative period.

There were 35,779 new vehicles sold in October with a retail value of \$74,115,045 as compared with 30,722 units retailed for \$61,593,903 a year ago. Cumulative sales of new vehicles for the first 10 months this year amounted to 365,151 units valued at \$743,098,725 as against 244,420 sold for \$503,620,953 in the corresponding period of 1949.

New passenger car sales in the month numbered 26,281 units, a gain of 16.6 per cent over October last year when 22,548 units were sold, bringing the 10-month aggregate to 275,370 units as against 171,437 units in the like period of 1949. Truck sales in the month rose to 9,458 units from 8,151 a year ago, and the cumulative total increased to 89,206 units from 72,517. October bus sales rose to 40 units from 23, and in the January-October period to 575 from 466.

There were 11,919 new motor vehicles financed to the amount of \$17,553,920 in October as compared with 8,543 units financed for \$11,557,419 a year earlier. New passenger cars financed increased to 8,294 units from 6,026, and commercial vehicles rose to 3,625 units from 2,517 in the same month of 1949.

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LABOUR INCOME AT PEAK: Total labour income reached all-time peaks in September and the first nine months of this year, according to the monthly estimates by the Bureau of Statistics. The month's total increased over four per cent above August and about eight per cent over September, 1949. The cumulative total was five per cent greater than for the first nine months last year and 14 per cent over the corresponding period of 1949.

All-Canada total for September amounted to \$716,000,000 as compared with \$686,000,000 in August and \$662,000,000 in September last year, while the cumulative total to the end of September was up to \$5,955,000,000 as against \$5,664,000,000 in 1949. The total for the third quarter of this year was \$2,093,000,000 as compared with \$1,969,000,000 in the like period of 1949, a rise of 6.3 per cent.

There were increases over August and September last year in all main groups except construction which was unchanged from August but up from a year earlier. The greatest change occurred in utilities, transportation, communication, storage and trade group, which moved up eight per cent to \$186,000,000 from \$172,000,000 for August, when earnings were affected by the strike of non-operating railway employees. Income for the group, however,

was above July and about seven per cent higher than in September last year, the nine-month aggregate rising to \$1,566,000,000 from \$1,490,000,000 in 1949.

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EMPLOYMENT AT PEAK. Industrial employment and aggregate payrolls and per capita weekly earnings reached all-time peak levels at the beginning of October. There were advances in employment in Nova Scotia, New Brunswick, Quebec, Ontario and British Columbia, little change in Manitoba and Saskatchewan, while firms in Alberta reduced their working forces. Industrially, there was pronounced expansion in logging and in manufacturing as a whole.

The general employment index for October 1 was 209.4, up 1.5 per cent over the previous high recorded a month earlier, and 3.6 per cent above the October 1, 1949 figure. The index of aggregate payrolls, at 244.9, advanced 5.5 per cent over September and 9.4 per cent over October last year, and per capita weekly earnings moved up to \$47.57 from \$46.26 a month earlier, and \$44.84 a year ago.

The increase in factory employment was due in large part to seasonal work in canneries and certain other industries, but also reflected the reinstatement of workers laid off as a result of the railway strike. Activity associated with the early stages of the rearmament programme was another factor. Transportation showed improvement as compared with September 1, when many workers released during the railway strike had not been recalled. In part, however, the rise in employment in this group was seasonal.

There were large increases in staff in trade at the beginning of October, with losses, also seasonal, in construction, communications and hotels and restaurants.

Industrial payrolls were decidedly higher in all Provinces at October 1 than a month earlier. The increases partly reflected recovery from the losses in earnings which had occurred during the railway dispute. Expanding industrial activity, together with changes in the distribution of workers and the payment of higher wage rates in many industries and establishments, were also important factors. The advances ranged from 2.7 per cent in British Columbia to 9.8 per cent in New Brunswick and 11.1 per cent in Prince Edward Island.

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TRAVEL IN AUSTRIA: The Department of External Affairs announced on December 15 that Canadian citizens will now be able to enter Austria without Allied Forces' Permits so long as they are in possession of valid passports. No visas will be required.

Notwithstanding the abolition of Allied Forces' Permits, Canadians will still require Occupational Forces' Travel Permits ("Grey Cards") when travelling into or through the Soviet Zone of Austria (that is to say the

Provinces of Lower Austria, Burgenland and the Muhlviertel of Upper Austria). Travellers arriving in Vienna by air will not require "Grey Cards" unless they are proceeding outside the metropolitan area of Vienna. No special documentation is required to enter the Soviet Sector of Vienna itself. Persons desiring "Grey Cards" for travel in or through the Soviet Zone of Austria should write for information to the Passport Office, 40 Bank Street, Ottawa.

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CANADIANS STUDY U.S. RANKS: Frequently puzzled by rank badges of American officers, warrant officers and NCOs, Canadian soldiers, especially those based with the Special Force at Fort Lewis, Wash., are boning up so they'll know "Yank rank" when they see it.

Their concern is based upon a new Army order just issued.

The order states that Canadian troops attached to, working with or whose duties bring them in contact with American troops are to obey orders or instructions given by U.S. officers and NCOs with the same alacrity they would obey orders of a Canadian officer or soldier of superior rank.

Disobedience or non-compliance with the order leaves the Canadians wide open for punishment -- Army style.

Adding to their worries is an unwritten Army law that ignorance of an order or of its meaning is no excuse. That's why it's so important they get American rank badges straight in their minds, but fast!

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VITAL STATISTICS REPORT: The Bureau of Statistics released on Dec. 12 the 27th annual report on vital statistics of Canada which contains final figures for the year 1947. Extending to 734 pages, the report contains detailed statistics for Canada and the Provinces on natural increase of the population, births, marriages, deaths, and causes of death. The report also contains statistical data on births and deaths among the Indian population.

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CANADIAN GUNNERY AT FORT LEWIS: Canadian artillerymen hung up something of a record last week when they "broke in" their new 25-pounder guns at Fort Lewis, Washington.

U.S. and Canadian Army officers present agreed that it was probably the first time in 138 years that Canadian guns had ripped up American targets in the Continental United States. Not since the war of 1812, it is believed, have Canadian field guns been fired by Canadians on American soil south of the 49th parallel.

The Americans didn't shoot back. But many stood around and watched while personnel of

the 2nd Field Regiment, RCHA, commanded by Lt. Col. A.J.B. Bailey, DSO, MBE, of Duncan, B.C., rained shell after shell on the distant targets. The regiment is based at Fort Lewis with other elements of the Canadian Army Special Force.

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CHRISTMAS BROADCAST FOR TROOPS: Soldiers of the Canadian Army Special Force stationed at Fort Lewis, Washington, and in the Far East, will hear a special Yuletide broadcast on Christmas Day. The programme will be one of the regular "Voice of the Army" series and will be broadcast from the stage of the Odeon theatre in Toronto on Wednesday evening, December 20. It will be recorded in the Vancouver studios of the CBC and rushed by courier to Fort Lewis, and by RCAF airlift to Tokyo for rebroadcast on Christmas Day to Canadian troops in the Pacific theatre of operations and on the Pacific coast of the USA.

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HOURLY EARNINGS 105.3 CENTS: Average hourly earnings and average weekly wages of hourly-rated wage earners in leading Canadian manufacturing industries reached new peaks at October 1. The return to normal conditions of establishments directly or indirectly affected by the railway dispute, and seasonal expansion of activities in many industries, as well as upward revisions in wage rates and premium overtime work in a number of plants were factors in the rise.

Average hourly earnings at October 1 in all manufacturing industries amounted to 105.3 cents as compared with 104.4 cents at September 1 and 99.3 cents a year ago, while the average weekly wages stood at \$45.07 as against \$43.74 on September 1, and \$42.40 on October 1 last year. The average work-week at 42.8 hours was nine-tenths of an hour longer than at September 1, and one-tenth of an hour more than at October 1, 1949.

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NEWS BULLETINS FOR "PATS": The Minister of National Defence, Mr. Claxton, announced on December 15 that daily news bulletins from Canada will be provided to the 2nd Battalion, Princess Patricia's Canadian Light Infantry, in the Far East.

The bulletins will be mimeographed at the base on receipt by cable and mail from Canada. The news is provided without charge by The Canadian Press. The Government pays costs of editing and transmission.

The CP bulletins, for which the Minister expressed "very warm appreciation," will cover briefly outstanding news developments and will include periodic surveys of sport and other subjects of special interest to the force. The service is to start at once.

EIGHT MONTHS' BUDGETARY SURPLUS \$405.9 MILLION

DEFENCE SPENDING UP: The Minister of Finance, Mr. Abbott, released on December 16 the Comptroller of the Treasury's statement of revenues and expenditures for the month of November and the first eight months of the current fiscal year.

The Comptroller's statement shows that total revenues for the month of November amounted to \$251.9 million compared with \$194.6 million for November, 1949. Revenues for the first eight months of this year totalled \$1,787.0 million compared with \$1,636.9 million in the same period a year ago, an increase of \$150.1 million.

The Government's expenditures for the month of November totalled \$209.1 million compared with \$198.5 million in the month of November, 1949. Referring to this increase of \$10.6 million, Mr. Abbott pointed out that it was more than fully accounted for by an increase of \$13.3 million in expenditures for National Defence. There was thus a reduction of \$2.7 million in the aggregate expenditure of civilian departments and this reduction was effected despite such increases in unavoidable expenditures as (1) an increase of \$2.2 million in payments of general health grants to the Provinces; (2) an increase of \$.9 million in family allowance payments; (3) an increase of \$1.1 million in special expenditures largely due to expenditures arising out of the Winnipeg floods.

For the first eight months of the fiscal year total expenditures amounted to \$1,381.0 million compared with \$1,337.1 million for the same period of 1949. If the special non-recurring charge of \$62.3 million in 1949, due to the assumption of a portion of Newfoundland

debt pursuant to the Terms of Union, is eliminated, the increase for 1950 over 1949 is \$106.2 million. This increase is more than fully accounted for by (1) an increase of \$70.2 million in national defence expenditures, (2) an increase of \$14.0 million in special expenditures due largely to payments arising out of the Winnipeg flood disaster; (3) an increase of \$7.7 million in old age pension payments resulting from the increase in rate of pensions provided for in April, 1949, which increase had not been reflected by November, 1949; (4) an increase of \$8.2 million in family allowance payments; (5) an increase of \$8.2 million in subsidies and tax rental payments to provincial governments; and (6) an increase of \$4.4 million in expenditures of the Unemployment Insurance Commission due mainly to increased Government contribution to the Unemployment Insurance Fund and unemployment assistance payments in Newfoundland.

Revenues for the month of November exceeded expenditures by \$42.8 million compared with an excess of expenditures over revenues in November, 1949, of \$4.0 million. The accumulated budgetary surplus for the first eight months of the current fiscal year was \$405.9 million compared with \$299.8 million at November 30, 1949.

In addition to budgetary expenditures, there were non-budgetary disbursements amounting to \$13.5 million in November and \$68.2 million in the first eight months of the year. These cash outlays for loans, advances and investments were considerably smaller than last year, the decrease for November being \$36.8 million and for the first eight months of the year \$113.4 million.

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CANADA AT THE UN (Continued from p 1)

that, chained by the rigidity of their own doctrines, they have made up their minds that the United Nations is their enemy and that by force of arms they will expel it from any area where their will prevails. If that is the case, then certainly the outlook is gloomy, and both we and our world organization and, indeed, peace generally, are in great peril. If they are determined to do so, the Chinese Communist Government can certainly carry us down the hill towards war...

After stating that the free world would not permit itself to be drawn into war with China if there were any reasonable and honourable way in which it could avoid it, Mr. Pearson proceeded, in part:

"The Chinese, who have a sense and knowledge of history, must realize that a conflict between China and the United Nations can have only one result; to strengthen in the world the imperialistic power and influence of the Soviet Union, to China's own disadvantage.

"Surely they must also realize that the Chinese interests, to which the Peiping Government attaches importance, cannot be secured, but can only be endangered by a wholesale assault upon the United Nations - for it would be that, and no mere assault upon the United States - and they should not deceive themselves on this score. So, I refuse to believe that the Chinese Government in Peiping will be so shortsighted and so unwise as to refuse to cooperate in carrying out this draft resolution...."

1950 FIELD CROP GROSS VALUE \$1,483,000,000

4 P.C. BELOW 1949: Gross value of the principal field crops produced on Canadian farms in 1950 is at present estimated at \$1,483,000,000, about four per cent below the 1949 level of \$1,544,000,000. This is the fifth highest in history, being exceeded only in the years 1919, 1947, 1948 and 1949. Anticipated participation payments on western wheat, oats and barley will place this year's crop at a higher level than is currently indicated.

Among the principal factors affecting the apparent decline in the gross value of field crops from the 1949 level were the relatively poor quality of the western wheat and barley crops, the lower initial price for western wheat and a lower average price for potatoes. The gross value of these three crops alone was \$121,000,000 less than in 1949. For most other crops, increased production more than offset price declines and increased gross values were registered for all except dry peas, dry beans and field roots where slight declines occurred.

The 1950 wheat crop, currently valued at \$491,000,000, is down some 13 per cent from last year. The total wheat crop was 94,000,000 bushels greater than in 1949, but a sharp drop in average farm value -- to \$1.06 per bushel as against \$1.54 in 1949 -- brought about a

decrease of \$75,000,000 in the estimated total farm value of the crop.

The large increase in oats production more than offset a lower farm price and the 1950 crop is accordingly valued nearly \$15,000,000 higher than in 1949. Substantial increases in production of mixed grains and flaxseed over 1949 levels, with little change in prices, has resulted in gains of \$16,000,000 and \$7,000,000, respectively in their 1950 farm value. Despite the larger 1950 outturn of barley and potatoes, the lower prices have resulted in declines of approximately \$23,000,000 in the gross value of each crop.

With both production and price of shelled corn above 1949 levels the gross value of this crop is more than \$2,000,000 above the 1949 figure. Production of hay and clover, alfalfa and fodder corn in 1950 was generally greater than in 1949 and with prices only a little lower, the gross values of production of these crops are up slightly from last year.

Over-all increases in the gross dollar value of 1950 field crop production relative to 1949 were recorded in the Provinces of Nova Scotia, Quebec and Ontario. Decreases were registered in the other six Provinces covered in this report, no estimate being available for Newfoundland.

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INDUSTRY

Canada's retail trade showed a moderate gain of 2.8 per cent in October over the corresponding month last year, while cumulative sales for the first 10 months of this year were 5.8 per cent higher than in the similar period of 1949. All provinces shared in the sales advance in the month except Saskatchewan and Alberta, while in the January-October period, Saskatchewan alone declined. Motor vehicle dealers had the largest gain in October, sales increasing 22 per cent.

The proportion of retail sales on the instalment basis showed a further increase in the third quarter of this year over the preceding quarter and the corresponding period last year, while the ratio of charge sales was down from the April-June period and practically unchanged from July-September, 1949. The percentage of cash sales in the same period fell slightly from the 1949 quarter but was up from preceding quarters this year.

Cars of revenue freight loaded by the principal railways of Canada during the week ended

December 9 totalled 78,781 cars, an increase of 3,495 cars over the corresponding week last year.

Aggregate expenditures of Canadians and visitors to Canada on alcoholic beverages reached an estimated total of \$614,000,000 in the 12 months ending March, 1949. This was \$42,000,000 above the preceding year's total of \$572,000,000. More than half the amounts spent in both years were returned to the federal and provincial Governments as duties, taxes, and other revenues.

Frozen meat stocks totalled 28,535,000 pounds against 19,529,000 on November 1, and 34,205,000 on December 1 last year, and fresh meat amounted to 16,545,000 pounds compared with 18,063,000 on November 1, and 19,132,000 a year earlier.

Deliveries of heavy and medium fuel oils, heavy and light furnace oils and diesel fuel to Canadian users increased about nine per cent in 1949 over 1948, amounting to 1,624,864,800 gallons as compared with 1,492,925,200 gallons.

REPORT OF ADVISORY COMMITTEE ON OVERSEAS INVESTMENT

WORLD BANK BOND ISSUE The Minister of Finance, Mr. Abbott, made public December 19 the report of the Advisory Committee on Overseas Investment. Mr. Abbott stated that this Committee, under the Chairmanship of Mr. Gordon Ball, General Manager of the Bank of Montreal, had been asked to undertake a study of the obstacles impeding the free flow of investment from Canada to overseas countries, and of the steps which might be taken to eliminate or minimize these obstacles.

The first specific recommendation of the Committee was that the Canadian Government might explore the possibility of concluding mutual agreements with countries expressing an interest in attracting Canadian capital. These agreements would cover such matters as the free flow of capital for direct investment, the right to repatriate invested capital, the elimination of restrictions on remittances of dividends or profits, and the removal of obstacles to the transfer of key personnel and reasonable amounts of their earnings between the two countries.

The Committee also recommended that the Canadian Government seek to conclude additional reciprocal tax conventions for the avoidance of double taxation, and that, in negotiating with other countries as well as in reviewing Canadian legislation, every opportunity should be taken to press for more simplified forms and procedures and for the codification of regulations and controls. With respect to the Canadian Income Tax Act, the Committee recommended an amendment to place dividends received from a foreign venture in which Canadian companies own over 25 per cent of the voting stock on a comparable footing for tax purposes with the earnings received from fully controlled foreign investments.

In addition to specific suggestions for reviewing present regulations and policies of the Foreign Exchange Control Board with a view to ensuring that there are no restrictions unduly prejudicial to personnel connected with foreign direct investments in Canada or Canadian direct investments abroad, and to relaxing where practicable the Board's requirements in regard to direct investment in certain types of countries in the dollar area, the Committee expressed the general view that "the deliberate announcement of a policy aimed at elimination of exchange control, and the implementation of that policy by successive relaxations as rapidly as conditions permit, would be a valuable contribution which Canada could make towards a return of conditions favourable to a revival of foreign investment".

In conclusion, the Committee recommended that careful consideration should be given to the possibility of increasing Canadian external investment through the World Bank and, more particularly, by permitting the public offering in Canada of an issue of the bonds of the Bank. In the Committee's view, this would permit the Canadian investing public to participate in the financing of foreign developmental projects with the safeguards inherent in the obligation of the International Bank.

In expressing the thanks of the Government to Mr. Ball and to each of the members of his Committee, Mr. Abbott said that the comprehensive character of the report bore witness to the thorough manner in which the Committee had carried out its task. He emphasized that the views expressed by the Committee were, of course, its own, and not necessarily those of the Canadian Government. Indeed, to achieve such an independent and objective study of the matter had been the primary purpose of setting up this Committee of private individuals.

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MOST RAIL WORKERS AWARDED 7 CENT INCREASE

Further wage increases totalling \$13,000,000 a year were awarded railway workers in Canada by the arbitration of Mr. Justice R. L. Kellock, made public on December 19.

Mr. Justice Kellock awarded most of the 124,000 workers.

1. A further three-cents-an-hour increase on top of a four-cent increase they received

last Sept. 1. It is retroactive to that date.

2. The five-day, 40-hour week, without loss of pay from the present 48 hours, effective next June 1, three months ahead of the date the railways had offered.

The award, however, refused the short week and the new three-cent increase to 2,700 hotel and water transport employees of the railways.

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CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

MR. PEARSON'S RADIO "PRESS CONFERENCE":

The following questions and answers are excerpts from the text of a programme entitled, "Press Conference", recorded from Lake Success, for broadcast over the Canadian Broadcasting Corporation's Dominion Network on December 11. On this programme the Secretary of State for External Affairs, Mr. Pearson, was interviewed by correspondents accredited to U.N.

Correspondents participating were: Krishnamachari Balaraman, The Hindu, Madras; Chester Manley, Chicago Daily Tribune; Max Beer, France-Amérique; Abed Bouhafa, Al Misri, Egypt; Walter O'Hearn, Montreal Daily Star; Henryk Gall, Polish Press Agency; Peter Stursberg; CBC; John Rogers, N.Y. Herald Tribune; Arnold Vas Diaz, Nieuwe Rotterdamse Courant.

Mr. Stursberg -- In your speech over the CBC last week I believe you called for what amounts to a cease-fire in Korea, as a first step to negotiations for the peaceful settlement of the whole crisis out there. Does this mean to say that Canada will support a resolution calling for a cease-fire in the Political Committee?

Mr. Pearson -- Well of course, that would depend a good deal upon the kind of resolution. I did say last week that before you could negotiate with any chance of success you had to have a cease-fire and a stabilization of the military position. Now, if a resolution is

introduced in the Political Committee, calling for a cease-fire without any conditions or strings attached to it, then I should think it would be a good thing and our Delegation would support it. But if it were a resolution for a cease-fire with certain conditions attached, then we would want to know what those conditions were before we made up our minds.

Mr. Gall -- If I remember correctly, you said in one of your latest speeches that in the present conflict every possibility of peaceful negotiation should be explored. Would you care to tell us, Mr. Pearson, whether to exclude from future possible negotiations the problem of admission of People's China to the United Nations and the question of Formosa and to limit these negotiations to Korea which seems to be the proposal of the United States would, in your opinion, be tantamount to exploring every peaceful possibility?

Mr. Pearson -- That's a very tough question. But, I would think that we should not exclude from negotiations any pertinent subject. Nevertheless, surely we should try to negotiate successfully on the immediate solution of Korea, and if we can do that, then we might be able to broaden the negotiations to include these other things. But we've got to get the fighting in Korea stopped and we've got to get a satisfactory solution for that problem before we can widen the negotiations.

DEFENCE SHIPPING AUTHORITY ESTABLISHED

FOR WARTIME EMERGENCY: The Minister of Transport, Mr. Chevrier, on December 8, told members of the Grunt Club, comprised of shipping and transportation executives, that a Defence Shipping Authority had been established which was "designed essentially for the allocation of shipping in wartime". He stressed that this body had "no bearing upon the peacetime activities of the industry" and expressed the hope that "the international situation will not deteriorate to such an extent that it will be necessary to make use of the Defence Shipping Authority".

The Minister pointed out that this Authority had been set-up at a recent meeting in Washington of an agency established under the North Atlantic Treaty, of which Canada is a member. "Should an emergency take place, the machinery had been established and many of the difficulties which had to be ironed out at the beginning of the last World War will have been averted."

USE ESTABLISHED FACILITIES

"In planning any system of ship operation for wartime emergency the Government will undoubtedly make the fullest possible use of the established facilities of the shipping industry," said the Minister. In any allied shipping pool arrangement, "the Canadian-owned ships on United Kingdom registry and those on Canadian registry would both be considered as part of Canada's contribution."

The Minister outlined the objectives of the replacement plan and the operation of the transfer and subsidy plan. In connection with the latter plan, he pointed out that of the original fleet of 258 vessels "Canadian companies still own 159 of the war-built ships, of which 95 have been transferred to the United Kingdom, 36 are in receipt of subsidies and the remaining 28 have found it possible to operate under Canadian flag without subsidy." Stating that by September 25 last there was not a single Canadian ship laid up for lack of employment as compared with 35 idle Canadian ships one year ago, the Minister itemized the steps taken to save the industry and said that "had these steps not been taken by the Government there is no doubt in my mind that the whole fleet of 159 would have been laid up by their owners. I confidently believe that the transfer and subsidy plan has been instrumental

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SUSPEND EXPORTS TO PARTS OF FAR EAST: The Minister of Trade and Commerce, Mr. Howe, has announced that instructions were issued on December 9 to suspend the granting of export permits for shipments to Korea, China, Hong Kong, Macao and Manchuria, and to recall all outstanding permits for revalidation.

This has been found necessary owing to the uncertain conditions in the Far East at the

in saving the shipping business in Canada, and that it will have the effect of maintaining the nucleus of Canadian shipping considered essential from the point of view of national security."

In explaining the workings of the Government's transfer arrangement, Mr. Chevrier said that under this plan "Canadian owners of ships transferred to the United Kingdom will have every opportunity to participate in trade on equal terms with British vessels. Their agents in England will receive all gross earnings and will make disbursements on their behalf, while the United Kingdom authorities will permit net profits to be transferred to the Canadian owners in dollars."

\$110,000,000 CONSTRUCTION PLANS

Outlining plans now under way for the construction of ships in Canadian shipyards to the value of \$110,000,000, the Minister of Transport said that of this sum "more than three-quarters, or \$86,500,000, is to be expended on ships for Government departments, and in particular for the Department of National Defence." He pointed out that the Government had permitted a more liberal interpretation of the conditions under which escrow money may be used so as to assist in the replacement of older ships now operating on the Great Lakes and in the coastal trade. "I believe," said the Minister "that this, together with the accelerated depreciation provided by the Canadian Vessel Construction Assistance Act, has encouraged shipowners to undertake some, if not all, of the \$23,500,000 worth of shipbuilding for private account now being carried out in Canadian Shipyards."

The Minister of Transport said that development of the large reserve of oil in Alberta with the construction of a pipe line to Lake Superior as well as the discovery of vast deposits of iron ore in Labrador have had "a beneficial effect on shipbuilding in Canada". He said that the two large tankers being constructed on the Great Lakes would be the "largest in the world to be operated in inland waters". These, and the three bulk ore carriers also under construction in Canadian shipyards would be "of tremendous importance to Canada both from an economic and national defence point of view."

present time, and the tightening by the United States authorities of their export controls on all domestic and intransit shipments to those territories.

Discussions are in progress between the United States and Canadian Government authorities with a view to securing an early clarification of the situation.

CANADIANS IN HAZARDOUS KOREAN COAST NAVY EXPLOIT

WITHDRAWAL OPERATION: With the Canadian Destroyers in the Yellow Sea -- The withdrawal and bombardment operation carried out last week at Chinnampo by a United Nations destroyer force under Canadian command was the biggest U.N. job on the Korean west coast since the Inchon invasion.

In the face of onrushing Chinese Communist forces, the Canadian destroyers Cayuga, Sioux and Athabaskan, the Australian Warramunga and Bataan and the U.S.S. Forrest Royal, all under the immediate command of Captain Jeffrey Brock, in the Cayuga, supported the withdrawal to more advantageous positions of more than 1,500 American military personnel.

The U.N. soldiers and more than 1,000 Korean civilians were taken out in transports. In addition, thousands more Koreans fleeing from the advancing Reds piled into junks and were given cover by the warships.

Chinnampo is the port city for the former North Korean capital of Pyongyang.

WITHDRAWAL OF WOUNDED

While the destroyers deployed about the harbour to lend gunfire support against possible attack, four American attack transports carried out the withdrawal of wounded and civilians, while L.S.T.'s loaded up with army personnel and all valuable vehicles and other equipment and supplies it was possible to move.

The destroyers safely escorted the ships to open water, from where they proceeded to a base further south.

There were no Canadian casualties.

The operation was initiated with startling suddenness on the Monday afternoon, while the warships were on blockade patrols further north. A message was received instructing them to proceed to the approaches to Chinnampo, to stand by to assist in an emergency withdrawal from the city.

An emergency signal, received just after dark, set the next phase of the operation in motion. The commander of the attack transports and L.S.T.'s which had gone into Chinnampo earlier in the day reported the situation in the city extremely grave. Reporting that he was without cover, he requested immediate assistance.

"Destroyers urgently needed to give support by gunfire and seal off city, protecting withdrawal of ships from enemy attack," his message concluded.

But between the warships and the city lay 40 miles of tortuous navigation through a twisting swept channel in places only 500 yards wide, with bordering minefields, shifting mudbanks and treacherous shoals.

The route was difficult enough by daylight. On a moonless night, with winds and strong tides, it was a gamble in which the odds lay heavily against the ships.

Captain Brock hastily called a conference of the destroyer captains and staff officers and plans were laid for the dangerous voyage.

The six destroyers began the passage. It proved to be "tickety boo" until the Warramunga reported she had run aground on a mudbank. Half an hour later the Sioux, probing cautiously through the pitch-black night, ran aground. In getting free, she fouled a buoy and was slightly damaged.

Both the Warramunga and the Sioux extricated themselves and withdrew to seaward.

FOUR OTHER DESTROYERS

The four other destroyers carried on and at 3 o'clock in the morning lookouts in the leading ship sighted the docks and waterfront buildings of Chinnampo looming dimly in the darkness.

Captain Brock disposed his ships and, with their crews closed up at action stations, they waited for the dawn and possible enemy attacks.

That day the transports were loaded with wounded, Republic of Korea refugees and port personnel. Altogether, about 7,000 personnel were withdrawn.

During daylight hours, air cover was provided by Sea Furies and Fireflies from the British light fleet carrier Theseus, wearing the flag of Vice-Admiral W.G. Andrewes, who commands the Commonwealth fleet in Korean waters.

The enemy failed to interrupt the loading and withdrawal and when the last ship had left the port, Captain Brock decided to remain at anchor for another night, retaining the Bataan and Forrest Royal and sending the Athabaskan to maintain a defended anchorage at the mouth of the river leading to Chinnampo.

The next day, after ordering the remaining civilians out of the military area, his ships shelled storage tanks, dock and harbour installations and supply dumps. The commercial and residential sections of the town were untouched.

CANADIAN SEAMEN'S UNION CERTIFICATION REVOKED

BY LABOUR RELATIONS BOARD: The Minister of Labour, Mr. Gregg, announced on December 11 that the Canada Labour Relations Board had revoked the certificate granted in November, 1947, to the Canadian Seamen's Union as the bargaining agent for seamen employed on the vessels of Branch Lines Limited.

The revocation of certification followed from proceedings initiated by the Company.

The Board in its Reasons for Judgment reviewed the activities of the Canadian Seamen's Union in connection with the 1949 strike of seamen employed on Canadian ships operating out of Eastern Canadian Maritime ports and the subsequent tie-up of Canadian ships abroad.

REASONS FOR JUDGMENT

In the Reasons for Judgment issued by the Board, the Board said that regardless of what claim the Canadian Seamen's Union may have had at an earlier date to be a trade union within the meaning of the Act, the Board is satisfied that the respondent's primary purpose is not such as to bring the organization within the definition of a "trade union" or "union" in the Act and found the organization not to be a trade union within the meaning of the Act and, therefore, not entitled to certification as bargaining agent.

The decision of the Board, under the Chairmanship of the Hon. G. B. O'Connor, Chief Justice of the Province of Alberta, and composed of four members representative of employers and four members representative of employees, was unanimous.

In its "Reasons for Judgment", the Board says in part:

"It is a matter of common knowledge that in the course of the strike of seamen employed on ships of Canadian shipping companies operating out of Eastern ports, declared by the Respondent in the spring of 1949, the Respondent worked actively in defiance of Canadian law to tie up a number of Canadian ships in ports in the United Kingdom, Europe, South Africa, West Indies, New Zealand and Australia, and for this purpose enlisted the support of reputed Communist groups within dock workers' organizations in the United Kingdom and in ports in other countries mentioned with a view to

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ELECTRIC ENERGY OUTPUT HIGH: Production of electric energy by central electric stations was at a high level in October, being exceeded only by the all-time monthly high reached in May this year. The month's output was seven per cent above the preceding month and advanced 10 per cent over October last year. Total for the first 10 months of this year was eight per cent higher than, in the similar period of 1949. All Provinces shared in the month's rise over last year except New Brun-

swick, while in the cumulative period production was higher in all areas.

The month's output amounted to 4,384,531,000 kilowatt hours as against 4,113,216,000 in September and 3,975,153,000 in October last year, and compares with the peak figure of 4,417,089,000 reached in May this year. In the 10 months, 41,685,990,000 kilowatt hours were produced as against 38,718,937,000 in the same months last year.

FOREWORD TO REPORT

"The report then states that this campaign in the United Kingdom was founded upon the support mainly of members of the Communist party and their sympathizers. In a Foreword to the report, the Minister said: 'The evidence shows that there was throughout a cold and deliberate plan, and that unofficial leaders were completely indifferent to the loss and suffering that might result. They had one aim only -- to restore the fortunes of the Communist-dominated Canadian Seamen's Union'.

"The Board regards these incidents as evidence of the close association of the Respondent with foreign elements of the international Communist front in the promotion of international Communist policies and activities which are entirely foreign to the purposes of a trade union under the Act.

"It is common knowledge in Canada that the Respondent is a Communist-directed organization. The political affiliation of an organization does not affect its status as a trade union. Nevertheless, the frequent transformation made by Communist elements of organizations formed for other purposes, over which they obtain control, into organizations whose real and ulterior purpose becomes the promotion of Communist objectives is well known in this country...."

AIRLIFT 100TH ROUND TRIP: The RCAF's 426 Thunderbird Squadron has completed its 100th round trip in the Pacific airlift between McChord Air Force Base, Tacoma, Washington, and Japan, it was announced on December 7.

Air Transport Command Headquarters, Rockcliffe, Ontario, said they had been advised by the squadron from its McChord Field base that the century mark had been reached by one of its North Stars which put down after flying troops and war equipment to Japan.

Now on its fifth month in the airlift, the Thunderbirds have piled up more than one-million miles of air travel between McChord and Japan and have put in better than 6000 flying hours. Flying and working alongside American veterans of the Berlin airlift, the 426 air and ground crews and their planes have rolled up a record which Air Transport officials say is unexcelled in the entire airlift.

Reports from the squadron indicate that both air and ground crew are welcoming the change in routes that the Thunderbirds now are flying. The North Stars now are heading to Japan by way of San Francisco and Hawaii, and depending upon weight of cargo and weather conditions, stops are made on occasion at Johnston, Wake, Kwajalein, or Iwo Jima. Comparatively easy headwinds are encountered on this route, as well as better weather conditions than on the northern route previously flown. The 426 North Stars are returning via the northern route, stopping at Adak, 300 miles southeast of Shemya, but have the strong prevailing winter winds in this area at their tail.

The ground crew servicing detachment has been withdrawn from Anchorage, and similar detachments are being placed at Hawaii and Adak. A detachment remains at Haneda airport outside Tokyo. Personnel of these detachments, responsible for in-flight servicing and inspection, are rotated every six weeks.

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LABOUR OFFICER LOANED TO I. L. O. The Minister of Labour, Mr. Gregg, announced on December 8 that the services of Dr. Edward P. Laberge of the Unemployment Insurance Commission had been loaned to the International Labour Organization to assist in the development of the expanded migration programme being carried out by the I.L.O. in Europe, Latin America and elsewhere.

Recently, governments in Western Europe made available to the I.L.O. additional funds of nearly one million dollars to enable the International Labour Office to promote plans for a large scale programme of moving workers from areas of surplus labour to areas of labour shortages or under-developed areas.

I.L.O. has been recruiting experts for the programme from various countries.

Dr. Laberge is the second official made available by the Canadian Department of Labour.

Earlier Brig. J.E. Lyon, Assistant Director of the Vocational Training Branch of the Department left for Geneva to assist in the same programme.

* * * *

GROWING SHORTAGE OF SKILLED LABOUR: The employment picture is currently highlighted by growing shortages of skilled labour on the one hand and a slowly increasing seasonal surplus of unskilled labour on the other. As usual at this time of year, the contraction of such seasonal industries as construction and agriculture has resulted in many workers seeking alternative winter employment. Some are going into logging camps, but others are flocking to the cities where job opportunities for this type of worker are not plentiful at present, the Minister of Labour, Mr. Gregg, announced on December 8.

By November 16, the number of applications for work on hand at National Employment Service offices across the country amounted to 163,800, an increase of 16,800 over November 2. In this two week period, the Prairie and Pacific regions showed the largest proportionate increases. These regions, of course, are more vulnerable to seasonal declines in employment than the more highly industrialized regions of Ontario and Quebec. Every region, however, shows applications for work on file at employment offices to be considerably fewer than at the same time last year. In Canada as a whole, there has been a decrease of approximately 31,000 over the year.

SEEKING WOODSWORKERS

Cutting activity in the woods is nearing its peak and with the considerable expansion in the size of the cut this year, some companies are still seeking woodworkers. Already, many men who worked on farms during the summer in the Maritime, Quebec and Northern Ontario areas, have transferred to this type of work and the earlier acute shortages have now been alleviated.

A great deal of inside construction work will continue during the winter months, although outside work now is being hampered by cold and snow. Some unskilled workers are being released and are seeking jobs elsewhere.

Manufacturing industries have been hiring steadily but their need at present is more for skilled than for unskilled workers.

The manufacturing industry has been expanding in nearly every sector. In response to defence needs, employment has been increasing in most primary iron and steel plants, in aircraft factories and in many firms manufacturing machinery and equipment.

Industries producing goods for the consumer market have also been operating at peak levels in response to the seemingly insatiable demand engendered by the current high levels of income.

MR. ATTLEE'S OTTAWA BROADCAST: Prime Minister Attlee spoke briefly to the Canadian people over a CBC national radio hookup on Sunday evening, December 10, after his Washington talks with President Truman and after meeting the Prime Minister, Mr. St. Laurent, and members of the Cabinet in Ottawa.

He said that his visit to Washington had given him the opportunity he had long wanted, of coming to Canada again. He would not say much about his visit to Washington, he said, because his first duty in that respect was to his colleagues in the United Kingdom and to the House of Commons at Westminster.

"But this I would like to say," he proceeded, "that there is complete agreement between ourselves and the Americans on the objectives we seek to reach. They are very easily summed up: peace, freedom for all men, with the opportunity to develop their lives happily and in their own way."

UN IS THE INSTRUMENT

"We were also agreed that the instrument by which these objectives must be attained is the United Nations organization. There is no other way, as Mr. Pearson, Minister of External Affairs, said in his notable broadcast from Lake Success last Tuesday."

"We members of the British Commonwealth of Nations have a long experience of freedom and democracy. We are accustomed to working together on terms of perfect equality. We understand the need for tolerance and understanding of other people's views. We have, therefore, much to contribute to the furtherance of the ideals for which the United Nations stand."

"If we can so strengthen the United Nations that its members act with the same remarkable co-operation that the members of the Commonwealth have always shown in times of trouble. The world would have no need to fear aggression...."

"Let me end by saying that I go home well content with the results of my visits to Washington and to Ottawa and comforted and inspired once more by the knowledge that the desire and views of this country are identical with our own."

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TWO NEW BATTALIONS: The Minister of National Defence, Mr. Claxton, announced on December 11 the formation of two new training battalions within the 25th Canadian Infantry Brigade, Canadian Army Special Force. They will be known as the 3rd Battalion Royal Canadian Regiment and the 3rd Battalion Royal 22nd Regiment.

Personnel for the two battalions will come from the reinforcement groups, most of which are still based in Canada. These troops will be despatched to Fort Lewis, Washington, in

the near future and will come under the direct command of Brigadier John M. Rockingham, commander of the Special Force brigade. Most of the officers will come from the Active Force.

These battalions, Mr. Claxton said, are being organized purely for training purposes.

This move, the Minister said, will greatly facilitate training. Based at reinforcement camps at widely scattered localities, the reinforcements now are trained as individuals. Brought together in complete battalion formations at Fort Lewis they will immediately begin to train and operate as a team on platoon, company and battalion levels. This will speed up training.

Formation of the two new battalions (creation of the 3rd Battalion Princess Patricia's Canadian Light Infantry was announced recently) eliminates the 25th Reinforcement Group and the reinforcement stream, although the personnel remain, in effect, reinforcements for the second battalions within the brigade.

Mr. Claxton stated that artillery reinforcements will be formed into an additional training battery and placed under command of the 2nd Field Regiment, RCHA, at Fort Lewis.

* * * *

"LABOUR LEGISLATION IN CANADA": "Labour Legislation in Canada as existing December 31, 1948" has just been published by the Department of Labour, it was announced by the Minister of Labour, Mr. Gregg.

Comprising 1,092 pages, it contains the text, in full or abridged, of all federal and provincial statutes directly affecting labour which were on the statute books at the end of 1948. Regulations made under the authority of the statutes are included in full or noted in summary form.

Mr. Gregg explained that this consolidation of Canadian Labour laws is the fifth in a series, the previous editions covering the periods up to the end of the years 1915, 1920, 1928, and 1937. In the intervening years annual reports have been published covering only the legislation enacted during the year.

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CANADIAN FORCES' DECORATION: The names of another group of RCAF officers and airmen who have been awarded the Canadian Forces' Decoration were released on December 11 by Air Force Headquarters. Some of the recipients are now retired from the service.

The Canadian Forces' Decoration is awarded for 12 years' service in either the Permanent or Reserve Forces, and is the first purely Canadian decoration for service of this nature. It is common to all the Armed Forces and supersedes various long service and good conduct awards peculiar to individual services, and which had no distinct Canadian connection.

(Continued from p. 1)

MR. PEARSON'S RADIO "PRESS CONFERENCE"

Mr. Gall -- Don't you think that to be able to negotiate, the most essential conditions have to be included, and don't you think that the admission of People's China to the U.N. is precisely one of the essential conditions of any negotiations?

Mr. Pearson -- Well, that is a condition I suspect may be laid down by certain people. I'm not prepared to be dogmatic about that, because I would want first to find out what the reaction of the Chinese Communist Government was to the whole idea of negotiation of the Korean problem, and when we find out from them what they consider to be essential conditions of negotiation then we'll be in a better position to decide whether those conditions are in fact pertinent to the settlement of the trouble in Korea. Now that may seem pretty indefinite but I can't be any more definite than that at the moment.

Mr. Vas Diaz -- Mr. Pearson, I have the impression that with your statement of last week, Canada has said what many people think, at least in Europe, and that thereby you have become the spokesman, in a way, for all those who want a reasonable settlement, without appeasement of course, based on a realistic appraisal of the situation. Am I right in describing Canada's role like this?

"REASONABLE SETTLEMENT"

Mr. Pearson -- I think that's a fair description of what I said last week: that we do want to find a reasonable settlement. I think other Governments do too, of course. But, we don't want -- and you use the word; I'm surprised that it hasn't come up before this -- we don't want appeasement, whatever that may be.

Mr. Bouhafa -- Do you really believe that there will be a just, fair settlement of the Korean war or don't you really think that the presence of one million Chinese soldiers in Korea will lead to a situation leaving no other alternative than to have Korea settled under the impact of those warring forces?

Mr. Pearson -- That's taking a rather pessimistic view of the situation and I'm not going to deny that there's lots of evidence that would support that kind of disheartening view. I don't give up hope, however, that there can be a solution of the Korean question which would be satisfactory to all those involved and that includes the Communist Government of China. However, we have to be realistic in these things, and whether that hope can be realized or not will depend, I think, to a great extent on the ultimate objectives of Chinese Communist forces in that part of the world -- whether they are inspired by defensive motives in their intervention or whether they are determined to drive United Nations influence out of Korea. If the latter, then one can't be too cheerful about the fu-

ture, but I'm not prepared at the present time to believe that that is the ultimate objective of Chinese policy and, if it is not, then I think we can work something out.

John Rogers -- Can you find any evidence as you look around the scene to support the hope that many of us have in this part of the world that these Chinese Communists might be something other than just servants of what we call Russian imperialism?

Mr. Pearson -- The evidence of Chinese history, traditions, culture, and of Chinese nationalism, of the awakening spirit in China in the last 10 or 15 years all give us surely some reason to hope that China is not going to become another Poland or Bulgaria, tied in its policy pretty closely to Soviet Russia. I think we have some reason to hope that in the long run the Chinese will be Chinese before they are Communists. The catch there is, "in the long run." How long is the run going to be?

Mr. Vas Diaz -- Has the result of the elections in Western Germany and particularly in Bavaria, caused you to change your opinion with regard to the possibility of German participation in the defence of Europe?

ELECTIONS IN GERMANY

Mr. Pearson -- That's of some significance, but not enough, I think, to make it desirable to change our attitude in regard to that matter. I know it's true that the Socialist party has had success recently in Germany and that their policy is opposed to rearmament of any kind. There are other influences, however, especially in Bavaria, which were at work and which helped explain the success of the Socialist party.

Mr. Balaraman -- Mr. President, switching from our war ad nauseam to our peace ad nauseam, the programme of economic reconstruction, pledged in the Colombo Plan, appears to be halting and lacking in urgency. Can it therefore be an effective counter to the threat of Communism in the underdeveloped countries in the Commonwealth?

Mr. Pearson -- Well, I think it has been a very important and useful development, this Colombo Plan, the details of which were announced the other day, but it may take some time to get that into operation. I can't see that in the next six months or a year that plan having any important practical contribution. Surely, however, its very importance lies in giving the people of Asia assurance that we other countries in the Commonwealth are anxious to do what we can to help them raise the standard of living and improve conditions in the Asiatic countries, which, after all is the most effective defence against Communism. I think that we'll do more in that direction in the long run than we will by arms, but there again, are we going to have enough time. How long is the "long run" going to be?

INDUSTRY

Canadian production of refined petroleum products increased 12 per cent in August over a year earlier and rose 13 per cent in the first eight months of the year. Receipts of crude oil advanced 16 per cent in the month and nine per cent in the cumulative period. The month's output amounted to 9,369,213 barrels as compared with 8,359,017 in August last year, and for the eight months aggregated 64,846,212 barrels against 57,229,892 in the similar period of 1949.

The Minister of Agriculture, Mr. Gardiner, has announced that the Canadian Government, through the Agricultural Prices Support Board, will take action to stabilize the egg market by supporting a storage programme for 1951 on the same basis as in 1950.

Department store sales increased six per cent in November over the same month last year, according to preliminary figures. Sales were higher in all Provinces except the Maritimes and Quebec, where sales declined five per cent and one per cent, respectively.

Activity in the contract diamond drilling of Canadian mineral deposits, other than fuels, was at a higher level in 1949 than in the preceding year. The footage drilled during the year was 4,777,015 as compared with 4,027,977 in 1948.

Production of nine of 16 of Canada's leading minerals was higher in August than in the corresponding month last year, while in the first eight months of this year, output advanced in all but two of the 16 items.

Total factory selling value of the products of the Canadian brewing industry reached a new peak in 1949 at \$230,915,629, up from the previous record of \$215,552,230 in 1948.

Carloadings on Canadian railways for the week ended December 2 amounted to 81,434 cars as compared with 77,683 in the corresponding week last year.

WHEAT SUPPLIES LARGEST SINCE 1945-6 Canadian wheat supplies for the 1950-51 crop year are now placed at 574,900,000 bushels, consisting of carry-over stocks of 113,200,000 and the 1950 crop estimated at 461,700,000 bushels. This compares with the estimate of 578,500,000 bushels a month earlier, the small decrease being due to the slight reduction in

the November estimate from the Bureau's special October estimate.

The total supplies for the current year are some 105,000,000 bushels in excess of the 1949-50 level and the largest since the first post-war crop year, 1945-46. The quantity available for export and carryover is now estimated at 419,900,000 bushels as against 338,300,000 bushels in the last crop year, domestic requirements being placed at 155,000,000 compared to 131,500,000 bushels in 1949-50.

Exports of wheat flour, in terms of wheat, amounted to 50,100,000 bushels in the first three months of the present crop year, showing a decrease of 13,400,000 bushels from the comparable period last year. The balance remaining on November 1 for export and carryover thus amounted to an estimated 369,800,000 as against 274,800,000 bushels on the same date in 1949.

Shipments of wheat to the United Kingdom during August-October amounted to 19,300,000 bushels. The next largest quantities were: Belgium, 4,600,000; Switzerland, 3,300,000; United States 2,300,000; and the Union of South Africa, 2,200,000 bushels.

* * * *

MANUFACTURING INDUSTRIES ANALYSIS: Slightly more than 46 per cent of the 33,447 manufacturing establishments operating in Canada were individual ownership in 1948, and 34.4 per cent were incorporated companies, according to the Bureau of Statistics. Partnerships accounted for 16.4 per cent of the total and co-operatives for three per cent.

Incorporated companies are by a wide margin the most important in the employment field, accounting for 87.5 per cent of the employees. Establishments operated under individual ownership provided employment for only 7.1 per cent of all employees, partnerships for 4.4 per cent, and co-operatives for the remaining one per cent.

Among Canada's 40 leading industries, non-ferrous smelting, production of automobiles, primary iron and steel, railway rolling stock, breweries, sugar refineries, and coke and gas plants, were entirely under incorporated companies

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GEORGE BRUDHAM MINES MINISTER: The Prime Minister, Mr. St. Laurent, announced on December 13 the appointment of George Prudham, 46, Liberal Member of Parliament for Edmonton West, as Minister of Mines and Technical Surveys. He also announced the retirement from the Cabinet, at his own request, of Senator James A. MacKinnon. Mr. MacKinnon served 12 years as a Cabinet Minister, holding the portfolios of Fisheries, Mines and Resources and Trade and Commerce. Latterly he has been carrying on as Minister Without Portfolio.



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WEEK'S EVENTS IN REVIEW

MR. PEARSON ON WORLD CRISIS: In two addresses this week - one before the Federal-Provincial Conference in Ottawa on December 4, and the other in a nation-wide broadcast to Canada from Lake Success on December 5 - the Secretary of State for External Affairs, Mr. Pearson, discussed the situation in Korea and the present threat of world war.

In his statement on December 4 at the Federal-Provincial Conference, Mr. Pearson said it was only safe to assume that Peking had risked armed intervention in Korea on the basis of assurances of assistance from the Soviet Union if the intervention should lead to military operations against the territory of China itself. A war with China, therefore, might well result in Soviet assistance to the Chinese forces.

There was no reason, however, why the efforts now being made through the United Nations to localize and then end the war in Korea should not succeed. If these efforts did succeed the immediate danger of a Third World War would for the moment be removed. But we should not rule out of calculation the possibility of such a war breaking out later. The materials for a fire would still be there; and there would still be madmen about, with matches.

He proceeded:

"The Soviet Union already possesses the capability to wage a major war at any time. Its policies, moreover, show that it is willing to take the risk of provoking one, even though

it may not deliberately desire one. At the present time, the Soviet Union possesses a great preponderance of power on land. On the sea it would be able seriously to interrupt allied lines of communication by the use of its submarine fleet, and by other means. The greatest military weaknesses of the Soviet Union are in the air and in its relative deficiency in atomic bombs. The Soviet Union would probably wish to reach a higher degree of preparedness, especially for air and atomic warfare and to augment its economic potential, before becoming engaged in hostilities...."

The effect of western re-armament would become increasingly important after 1951. If, therefore, the leaders of international communism had convinced themselves that war with the west must come at some time, they might consider that their best opportunity would be in the months ahead. Because of this - and of recent events in North Korea - the danger of a major war in the immediate future had, he thought, increased.

Mr. Pearson spoke, in part, as follows concerning whether the atomic bomb should or should not be used against the aggressors in Korea:

"It would be hard to exaggerate the psychological and political consequences of the employment of the bomb, or the threat of its employment, in the present critical situation. The strategic use of the bomb against Chinese cities might conceivably reverse the course of

EXPORTS TO U.S. AGAIN SET RECORD

\$204,436,000 IN OCTOBER: Canada's domestic exports to the United States again climbed to a new historic peak value during October. Shipments were also up in value for a year ago to Latin America and Europe, but down to the United Kingdom, British Commonwealth countries as a whole, and the remaining foreign countries. The month's gains over October last year far outweighed the losses and total domestic exports to all countries rose to the second highest value for a month in the postwar years.

Merchandise exports to the United States in October were valued at \$204,436,000 as compared to the previous all-time record value of \$192,790,000 in September, and \$148,056,000 in October, 1949. The increase of 38 per cent over a year ago was slightly under the average gain for the preceding nine months. The cumulative total for the 10 months was up 39 per cent to \$1,637,518,000 from \$1,172,360,000 last year.

TO ALL COUNTRIES

Total value of exports to all countries in the month was \$315,200,000, a rise of 17 per cent over \$369,100,000 in October last year, and narrowly below the peak postwar monthly value of \$316,400,000 for December, 1948. For the 10 months ending October the aggregate value of exports amounted to \$2,535,800,000 as compared to \$2,415,100,000 in the like 1949 period.

Shipments to the United States accounted for approximately 65 per cent of the total to all countries in October as against 55 per cent a year earlier, and for nearly 65 per cent in the ten months compared to 48 per cent.

There were gains over last year in the value of shipments of seven main commodity

groups to the United States. Largest increases were in the wood and paper group, from \$73,167,000 to \$110,984,000; non-ferrous metals, from \$13,972,000 to \$25,490,000; and iron and products, from \$6,746,000 to \$13,754,000. Animals and animal products, one of the larger, was down slightly at \$22,551,000, while agricultural and vegetable products declined from \$19,138,000 to \$15,622,000.

Exports to the United Kingdom were down one-third in October at \$47,707,000 compared to \$72,276,000 a year ago. Except non-ferrous metals, which rose from \$12,152,000 to \$16,034,000, shipments of the larger commodity groups were down. Agricultural and vegetable products dropped to \$19,623,000 from \$31,997,000, and animals and animal products to \$4,216,000 from \$10,098,000. Cumulative exports for the 10 months were valued at \$391,775,000 compared to \$598,265,000 in 1949.

COMMONWEALTH COUNTRIES

Aggregate value of exports to other Commonwealth countries was moderately lower in October at \$17,019,000 as against \$17,479,000 a year ago. Shipments increased to Commonwealth countries in Africa, but declined to all other areas.

Domestic exports to Latin American countries rose to \$14,969,000 as compared to \$9,646,000 in October, 1949, with largest increases to Brazil, Chile, Cuba, Mexico, Panama and Venezuela. Exports to Europe showed a sharp advance to \$24,691,000 from \$11,898,000, but the cumulative total for the 10 months was still substantially short of 1949 at \$155,280,000 compared to \$184,029,000. There were gains in October to Belgium and Luxembourg, Germany, Italy and Norway, and decreases to France, Netherlands and Switzerland.

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CONTROLS ON USE OF STEEL: Controls on the use of steel for certain types of construction were announced on December 2 by the Minister of Trade and Commerce, Mr. Howe. Effective January 1, 1951 steel mills and other suppliers will be able to deliver a wide range of steel only against certificates from the purchasers showing the use to which the steel will be put.

The types of construction banned by the restrictions include all building for amusement, entertainment or recreational purposes and also premises for the merchandising, storage or manufacture of liquors, spirits, beers and wines. Manufacturing of cigarettes, cigars, carbonated beverages and confectionery, other than bakery products, and the erection of outdoor advertising signs are also denied the use of new steel. Special applications will have to be made in connection with any project for which the steel has been partially delivered.

These controls are taken under the authority

of the Essential Materials (Defence) Act, under which all primary forms of steel have been declared as essential materials.

A second order issued by the Minister of Trade and Commerce, effective December 1, 1950, provides for the procurement of steel for defence contracts on a priority basis. Holders of defence contracts may, under this order, apply to the Steel Division of the Department of Trade and Commerce. Applications for priority will be addressed to the Steel Division, which will issue case numbers to be cited on relevant documents when ordering steel supplies.

In order to provide for the administration of these controls, Mr. Howe announced the establishment of a Steel Division in the Department of Trade and Commerce, which will be temporarily under the direction of Mr. Denis Harvey, Director of the Commodities Branch, with W.H. Fitzpatrick as Deputy Director.

CANADA AT THE UNITED NATIONS

MR. DICKEY ON ASSESSMENTS: The following is the partial text of a statement made in the Fifth Committee of the United Nations General Assembly on November 29, by Mr. John Dickey M.P. Representative of Canada, on the question of "Scale of Assessments for the Apportionment of the Expenses of the United Nations - Report of the Committee on Contributions." The 10% working rule referred to by Mr. Dickey is that "no change upwards or downwards of more than 10% in any one year shall be proposed in the percentage contribution of any one country".

"... The Canadian Government has always been most sympathetic to the problems of those countries which have been faced with the problem of repairing war damage. We have to the greatest possible extent given assistance wherever this was required. But, Sir, we cannot accept a situation in which the difficulties of the past are accepted as justification for the unlimited avoidance of current and future responsibilities."

STATEMENT OF POLAND

"The representative of Poland, in a statement in the Second Committee, informed us that 'despite the fact that, as a result of the ravages of war, his country lost over one-third of its national wealth, already in 1949, after the three-year plan was completed, industrial production reached a level of 177% of the pre-war output'. In the same speech, this representative referred to a 180% improvement in the production of electric power and equally impressive figures for industrial growth, agricultural growth and capital investment."

Later, the representative of the USSR made equally imposing claims regarding the level of the post-war improvement in the economy of his country. It may be naive for us to assume, in the face of such obvious and impressive testimony, that these member states, which exert such an important influence on the activities and deliberations of the United Nations, should be carrying a considerably higher proportion of the cost of the United Nations. However naive or not that may be, Sir, we, in Canada, feel most strongly that it is only reasonable to expect that the contributions of these states should reflect in full measure this increase in their basic capacity to pay. In this connection, I don't think it is up to us to make any judgment on the reliability of

claims of the nature to which I have referred. It is sufficient to say that they have been seriously advanced before committees of this Assembly in support of positions assumed by these countries themselves.

"We have selected these examples because in these cases the conclusions seem to us unavoidable. These are countries whose contributions were set at an arbitrarily low figure in order to give them an opportunity to limit their financial burdens during the difficult period of post-war reconstruction. Now that their reconstruction is well advanced, we must insist that they begin to pay their fair share of the load. We cannot accept the continuation of any working rule which will prevent this from being achieved. However, once an adequate permanent scale has been achieved through the rapid application of the necessary readjustments to bring the contribution of all member states to a satisfactory level, then the application of the rule might be reconsidered to prevent unduly erratic fluctuations of national contributions which might arise from the necessity of following too closely temporary variations in national economies."

ACCEPTS RECOMMENDATIONS

"It must be evident, from what I have said, that my Delegation is not satisfied with the present situation. However, we are not unmindful of the difficulty, if not the absolute impossibility, of attempting in this Committee to formulate a new scale in which the 10% working rule would be abandoned. Therefore, in a spirit of co-operation and accommodation and in order to expedite the work of this Committee, the Canadian Delegation will reluctantly accept the recommendations of the Committee on Contributions for 1951."

"We do so, however, on the clear understanding that this situation will not be repeated again next year. We would, however, request the Rapporteur to carry a clear indication of the will of this Committee that during 1951 the 10% rule is no longer to be applied and that all member states will be required to carry their full and equitable share of the burdens of the United Nations. Alternatively, Mr. Chairman, if you would prefer a more formal expression of this thought, my Delegation would be prepared to submit a resolution to this effect..."

* * * * *

UNEMPLOYMENT CLAIMS LOWER: There were fewer claims for unemployment insurance benefits filed in local offices of the Unemployment Insurance Commission in October than in the corresponding month last year. Decreases were recorded in all Provinces except Prince Edward

Island and Newfoundland. All-Canada total for the month was down to 62,243 from 69,349 in October, 1949. During the month, \$3,570,904 was paid in respect of 1,540,670 unemployed days compared with \$3,845,541 paid for 1,675,017 days in the same month last year.

(Continued from p. 1)

MR. PEARSON ON WORLD CRISIS

military events in Korea now, but at the cost, possibly, of destroying the cohesion and unity of purpose of the Atlantic community. Certainly its use for a second time against an Asian people would dangerously weaken the links that remain between the Western world and the peoples of the East.

"The atomic bomb is the most powerful deterrent element in the arsenal of the free world. But it is universally regarded as the ultimate weapon. It should be treated as such.

"There has, of course, been a mass intervention of the Chinese Communists in Korea. In the present critical military situation, those who have their own forces engaged (and this applies, of course, particularly to the United States whose intrepid men are bearing the brunt of this fight) are obviously entitled to have full consideration given to the use of every available means of supporting the ground forces fighting under the United Nations Command. This is natural and inevitable. But, before a decision of such immense and awful consequence, for all of us, is taken, there should surely be consultation through the U.N.; particularly with the governments principally concerned. One of those would be the Canadian Government, which has from the beginning been a partner in the tri-partite development of atomic energy.

RESPONSIBILITY SHOULD BE FIXED

"It is of supreme importance to the morale and survival of the free peoples that, if war comes, the responsibility should be clearly and inexorably fixed. While there is any chance at all of preventing an extension of the present hostilities, the advantages of using the bomb, or even threatening its use, are, I think, likely to be far outweighed by the reactions among the peoples of the world, and especially the peoples of Asia, which would follow that use. . . ."

In his broadcast over the Trans-Canada Network, on December 5, Mr. Pearson reviewed events since before the attack on the Republic of Korea on June 25 last and noted that in all the discussions which had taken place at Lake Success, in Washington, in London and elsewhere, Canada consistently had urged that moderation and a sense of global strategy, both military and political, should be the guide in deciding at what point military operations should be broken off and the work of pacification and reconstruction begun. We still believed, he said, that that was the proper course to follow. He proceeded as follows:

"It is now clear that in a further reckless act the Chinese Communists have intervened in Korea in very large numbers. Their final purpose is not yet beyond doubt, but certainly they have committed themselves to an incursion far in excess of any that might be explained

by nervousness over local Chinese interests along the border between Manchuria and Korea. In this dangerous situation, it remains our view that if and when the military position is stabilized, we should try to begin negotiations with the Chinese Communists by every means possible. I am aware of the difficulties I assure you, but I believe that nothing should be left undone which might conceivably result in an honourable and peaceful settlement in Korea. If, for example, providing the military situation is stabilized, there could be a cease-fire followed by negotiations - possibly covering more subjects than Korea - in which the Chinese Communists would participate, there might still be hope of reaching such a settlement. At least, we would have done our best and the responsibility for failure could be placed where it would belong.

"I know that the policy I suggest will be called 'appeasement' by some. 'Warmonger', 'fascist', 'appeaser', 'red', 'peace', 'democracy', such words are now used so loosely and irresponsibly that their coinage has become debased. So let us not be frightened by words. The action which was taken at Munich in 1938 and which has made 'appeasement' a by-word, was open to two charges: that it was short-sighted because it was based on illusions about the nature of the government which was the aggressor at that time, and that it was shameful because it sacrificed the freedom of one country in the interests of the security of others. Neither of those accusations can be brought against the policy I have outlined. It is not appeasement. It is an attempt through diplomacy to reach a modus vivendi with the Asian Communist world. The United Nations Commander in Korea himself has remitted to diplomacy the task of deciding what to do in Korea in this new situation created by Chinese intervention. It is the function of diplomacy to seek accommodations which can be the basis for stable relations between differing countries and systems. We have agreed in the past that some such accommodation with the Soviet Union and its satellites is necessary. In the present circumstances, I believe it is our duty to make every effort to reach such a settlement.

PRESERVATION OF UNITY

"But we must not allow this process - or the situation which makes it necessary - to weaken our resolve or interfere with our plan to strengthen our defences. Above all, we must not allow it to weaken the unity, or the friendly co-operation of those countries in the free world who are now working together so closely for the good purpose of establishing conditions of stability and peace in the world.

"Our task will be complicated by the necessity of keeping in mind both political and military considerations. Both, for instance, must be present in any consideration of the

possible use of the atomic bomb. From the strictly legal point of view, the atomic bomb is merely another weapon, and can be used like any other weapon. The supreme crime is not the use of a particular weapon, but committing an aggression which makes the use of any weapon necessary.

"The political instinct of people throughout the world, however, has insisted - and I think rightly - that the atomic bomb is different from other weapons. Not only is its destructive power far greater than that of any other weapon, but it was created as a result of the deepest penetration that man has yet made into the fundamental secrets of Nature, and if used widely enough, might destroy all life on this planet. Whether or not to use a weapon of that kind should surely not be decided by the application of the same criteria applicable to other weapons, or by unilateral decision, no matter what the technical and legal position may be. At a time of military reverses, when soldiers are trapped and encircled and are dying desperately, there will naturally be a strong temptation to sanction the use of the atomic bomb. Anyone considering such authorization, however, must remember that the fate of the whole world may depend on the decision.:::

"This is a time of desperately hard decisions. It is also a time which will demand greater sacrifices than we in Canada have ever before been asked to make; and without much of the stimulation and excitement and feeling of survival or extinction that accompanies a shooting war.

"It may be that in the days ahead the process of negotiation which I have suggested will become impossible or will be tried and fail. Then those who use force will have to be met by all the force we can muster in the free world. Until that time, however, we must guard freedom by wisdom, as well as by arms."

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PREPARING ARMY VEHICLES: Some of the busiest soldiers in the Canadian Army Special Force in Fort Lewis, Washington, are members of the RCME infantry workshop.

They are the boys who keep the heavy weapons and vehicles in good working order.

At the moment they are putting vehicles, recently out of storage, into fighting shape.

Busy stripping the heavy gum preservative from the equipment, cleaning and tuning motors to put the vehicles into top training condition, the unit is a hive of industry.

Rows of armoured vehicles, jeeps, trucks and ambulances form a characteristic background for the wrench and spanner soldiers in their black coveralls.

At one end of the jeep assembly line, men strip the preservative material from the motor, hood and dashboard instruments, then the vehicle is washed, engine tuned, gas tank filled and the jeep is ready to roll.

U. S. HONOURS FOUR CANADIANS: Award of the United States Legion of Merit to four members of the Royal Canadian Navy was announced in the Canada Gazette on December 2. Two officers and two men have been honoured for their part in the rescue on November 19, 1949, of 18 crew members of a U. S. Air Force B-29 aircraft which had crashed into the sea off Bermuda three days earlier.

"For exceptionally meritorious conduct in the performance of outstanding service," Surgeon Captain Eric H. Lee, R.C.N., of Saskatoon and Ottawa, and Lieut.-Cdr. Edward T.G. Madgwick, R.C.N., of Ottawa, have been awarded the Legion of Merit in the degree of Officer. Chief Petty Officer William H. Roberts, of Montreal, and Petty Officer James E. Callighen, of Toronto, have been awarded the Legion of Merit in the degree of Legionnaire.

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U. K. IMMIGRANTS VIA T. C. A.: Arrangements to bring immigrants to Canada via Trans-Canada Air Lines were announced on December 1 by the Minister of Citizenship and Immigration, Mr. Harris.

Mr. Harris said that immigrants may now travel to Canada on T. C. A. west-bound flights from the United Kingdom at a cost to them not exceeding \$160, the equivalent of the cost of tourist class passage by sea, the air line receiving the balance of the regular air fare from the Canadian Government.

This new move to stimulate immigration to Canada has been taken in view of the scarcity of available shipping on the North Atlantic, a factor which has prevented many prospective immigrants from coming to this country, the Minister stated.

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PETROLEUM OUTPUT SETS RECORD: Canadian production of crude petroleum and natural gasoline rose to an all-time high monthly total in September, the month's output increasing 26 per cent over September last year, and four per cent over the previous peak reached in July this year. During the first nine months of this year, output advanced 29 per cent over the similar period of 1949.

All-Canada output in September amounted to 2,724,985 barrels as against 2,167,332 a year ago, and compares with the previous record of 2,609,778 barrels in July this year. During the nine months ending September, 20,296,851 barrels were produced compared with 15,709,323 in the like period of 1949.

Wells in Alberta accounted for 2,602,710 barrels in September as compared with 2,051,250 a year earlier. Output from Redwater rose sharply to 1,097,773 barrels from 632,978, while production from Leduc was moderately higher at 985,287 barrels compared with 953,422. Output from Lloyminster increased to 67,637 barrels from 61,079, while production from Turner Valley dropped to 257,468 barrels from 315,464.

AUTOMOBILE PRODUCTION RISES: Automobile production in Canada has continued to boom along at a record-making pace into the fall months of this year, 10-month totals to the end of October rising substantially above the 300,000-mark, and sharply above the output for the full year 1949.

Total factory shipments during the 10-month period amounted to 329,776 units exceeding the aggregate for the full 12 months of 1949 by 39,142 units, and rising almost 36 per cent over last year's 10-month total of 244,992 units. Shipments in October totalled 35,573 units as compared with 38,035 in the preceding month and 28,125 in October, 1949.

In the 10 months, shipments of vehicles imported from the United States amounted to 3,748 units, while the sales of British-made units totalled 59,055. October shipments of United States vehicles amounted to 357 units, and sales of British-made units numbered 4,262 units.

Ten-month shipments of Canadian-made motor vehicles for sale in Canada totalled 302,457 units, up sharply from 219,587 in the like period of 1949, while those for export numbered 27,319 as against 25,405. October shipments of vehicles for sale in Canada totalled 31,931 units compared with 25,169, and the export vehicles numbered 3,642 compared with 2,956.

With the addition of the sales of imported United States and British-made models, there were 365,210 new motor vehicles of all kinds available to Canadian buyers in the 10 months this year. In October alone there were 36,550.

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N.F.B.'S "CADET HOLIDAY": The national premiere of "Cadet Holiday", the National Film Board's latest release depicting the training activities of Royal Canadian Army Cadets, was held in Ottawa's Capital Theatre on December 7.

It is estimated that the film will eventually run in 400 Canadian theatres. It will probably be seen over U.S. television, in United Kingdom theatres and will be released through 54 Canadian Government posts in foreign countries.

Filmed in natural color during the past two summers at the cadet camp at Ipperwash, Ont. on Lake Huron, the movie depicts various phases of cadet training.

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LIVING COSTS UNCHANGED: The Bureau of Statistics cost-of-living index remained unchanged at 170.7 between October 2 and November 1. Declines in the food and fuel and light indexes counterbalanced increases in the remaining four groups.

The food index moved down 1.5 points to 218.6 as sharp seasonal declines were regis-

tered for meats and small recessions for fresh vegetables. These outweighed slight advances for eggs, butter, fish, coffee, oranges and canned goods. A decline of 0.4 to 140.6 for the fuel and lighting index was due to lower prices for imported United States coal and coke, which followed the removal of controls from the Canadian dollar.

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FEED GRAIN SUPPLIES: Total potential feed grain supplies for 1950-51 are at a considerably higher level than in recent years, as a result of the increased production of all Canadian feed grains this year more than offsetting reductions in the carryover stocks for oats, barley and rye at July 31.

On an all-Canada basis the net supply of feed grains available -- obtained by deducting estimated exports, seed and other requirements from total supplies -- is 12,100,000 tons, the largest since 1944-45 and 2,300,000 tons greater than in 1949-50. The net supply of feed grain per grain-consuming animal unit is 0.76 tons, approximately 27 per cent greater than last year's 0.60 tons. This year's level has been surpassed in recent years only in 1942-43, when the net supply per animal unit was 0.91 tons.

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WHEAT STOCKS: Marketings of wheat by farmers in the Prairie Provinces during the week ending November 23 were more than double the total delivered in the corresponding week last year, while both the overseas export clearances and the visible supplies in North America showed marked increases.

Deliveries of wheat from farms in the Prairie Provinces during the week amounted to 10,841,810 bushels compared with 4,383,594 a year ago, and the overseas export clearances totalled 5,236,746 bushels as against 3,391,556. Stocks of Canadian wheat in store or in transit in North America at midnight on November 23 totalled 212,862,880 bushels compared with 169,979,209.

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TO ATTEND HAITI INAUGURATION: The Department of External Affairs announced on December 4 that, at the invitation of the Haitian Government, Mr. Charles P. Hébert, Canadian Ambassador to Mexico, had been appointed special Ambassador of Canada at the inauguration of His Excellency Colonel Paul-E. Magloire as President of the Republic of Haiti.

The ceremony of administering the Oath of Office to the new President took place on December 6 at Port-au-Prince.

Following the inauguration, Mr. Hébert presented to the new President of Haiti a message of greeting and congratulation from the Prime Minister of Canada.

INTERNATIONAL TRADE FAIR, 1951. With progress well advanced towards the opening of the 1951 Canadian International Trade Fair, May 28 to June 8, an appraisal of what the 1950 Fair meant to participants is timely, the Trade Fair authorities have stated in a news release.

A definite evaluation of the worth of the 1950 Fair would be at this time an idle and incomplete chore, in respect to the individual business man concerned or in respect to its effect on world trade, the release says.

Inasmuch as the success or failure of such enterprises finally boils down to how the individuals concerned fared, a sampling of reports on some of these individuals will serve as a reliable and valuable guide for business men contemplating participation in the 1951 Fair.

As these opinions, culled from press reports, letters to the Fair Administration and reports by government commodity officers charged with canvassing exhibitors, reflect the opinions of the men who spent time and money to participate, they carry more weight than would any opinions expressed by those responsible for staging and operating the Fair.

ANALYSES OF REPORTS

An analysis of a report made by a government commodity officer, after interviewing numerous exhibitors from abroad, shows that they regard the Fair as an ideal way to achieve three important objectives: a means of gaining an insight into the Canadian market; arranging for suitable representation and distribution; achieving contacts with high calibre business men. The preponderance of Canadian business men noted in the business registrations--over 90 per cent--was an extremely important factor to this group.

This preponderance of Canadian business attendance was duly noted by Canadian firms not especially interested in the export field. A Canadian electrical equipment firm in its official report said: Canadian business people are becoming increasingly interested in the Trade Fair as a medium of obtaining information on available products and equipment. It was particularly noted that business organizations, public utilities, government departments and the armed services, sent large numbers of their staffs, including the executive and administrative levels, to the Fair from all parts of the country; smaller firms were equally well represented. All of these people formed a very selective and interested audience for the visual presentation of products.

The long-range value of exhibiting at the Trade Fair was high-lighted in the comment of a Canadian industrial goods exhibitor who mentioned that, "although sales were not rushing, they were quite satisfied since the results of the previous participation came from four to six months later."

BUSINESS

There was a slight decrease in the Bureau's general wholesale price index to 172.6 in October from 173.6 in September, although it was 15.4 points higher than in October last year. At the beginning of this year the index stood at 157.1.

Production of wheat flour in Canadian mills showed a marked rise in October, reaching the highest monthly total since September, 1948. Output for the month amounted to 2,107,612 barrels as compared with 1,871,098 in the same month last year.

Revenue freight carried by Canadian railways in July totalled 12,361,846 tons, a rise of 12 per cent over last year's corresponding total of 11,041,391 tons.

Canada's thriving Christmas tree industry now exports more than 7,000,000 trees valued at over \$2,000,000 annually to the United States, Bermuda, Puerto Rico and Venezuela.

FARM PRICES LOWER: There was a further decline in overall farm prices of agricultural products in October, and the Bureau of Statistics' index number, on the base 1935-39=100, fell to 239.5 from 247.3 in September and 248.8 in October last year. This year's October index was at its lowest level since December, 1947, when it stood at 226.7.

The decline in the index from September was attributable to a further lowering of average grain prices in the Prairie Provinces and a decline in livestock and potato prices. Offsetting these decreases to some extent were the slightly higher prices for dairy products and higher prices for poultry and eggs.

COMBATING TUBERCULOSIS: To help Newfoundland to improve its tuberculosis treatment facilities, the federal Government has just allotted more than \$34,000 to pay for equipment for the new West Coast Sanatorium, Corner Brook, and for the St. John's Sanatorium. This was announced on December 8 by the Minister of National Health and Welfare, Mr. Martin.

Preliminary figures from the Bureau of Statistics show that Canada's death rate from tuberculosis in 1949 is the lowest in our history, Mr. Martin noted. Newfoundland, in common with all the other Provinces, is making a determined effort to reduce the mortality rate even lower by stepping up diagnostic x-ray surveys and improving treatment facilities.

COST-OF-LIVING INDEXES: Cost-of-living indexes for four of the eight regional cities moved higher between October 2 and November 1 this year, while the same number declined. With the exception of Vancouver, food prices decreased on the average, but homefurnishings and services and clothing registered increases in all centres. Narrow changes occurred for fuel and lighting in eastern Canadian cities, while western centres were steady.

Reflecting the results of a quarterly survey of rentals, the city indexes for this series were higher for seven cities, Saskatoon remaining unchanged. The indexes for miscellaneous items increased fractionally during the month.

Composite city index increases between October 2 and November 1 were as follows: Vancouver, 0.8 to 171.7; Saskatoon, 0.5 to 168.7; Edmonton, 0.4 to 164.9; and Toronto, 0.1 to 166.9. The cost-of-living index for Winnipeg declined 0.1 to 165.3; Halifax, 0.2 to 159.1; Saint John, 0.3 to 167.5; and Montreal, 0.3 to 174.8.

The city indexes show changes in the cost-of-living for each city. They do not indicate whether it costs more, for instance, to live in Montreal than Halifax, since the basic expenditure pattern was different for each city.

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EXCHANGE REGULATION CHANGE: Canadian residents may, in future, accept payment in either Canadian or United States dollars for services rendered to residents of the United States, the Minister of Finance, Mr. Abbott, announced on December 6.

Heretofore, Canadians performing services for United States residents have ordinarily been required to obtain payment in United States dollars only. Amendments which have been made in the Foreign Exchange Control

Regulations now permit the alternative of accepting payment in Canadian dollars.

Mr. Abbott stated that no change is being made in the Regulations governing the currencies acceptable in payment for exports of goods from Canada. As in the past, exporters are required to obtain payment in United States dollars for shipments to the United States and other countries in the U.S. dollar area.

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UNEMPLOYMENT INSURANCE FOR VETERANS: Veterans of the Special Forces will be entitled after discharge to Unemployment Insurance benefits, based on the period of their service, it was announced on December 7 by the Minister of Labour, Mr. Gregg.

The Minister stated that a recent Order-in-Council provided for payment of these benefits to discharged members of the three Special Forces.

The Government will pay unemployment insurance contributions on behalf of a person serving in the Special Forces for the whole period of his service up to a maximum of five years' contributions. These contributions will include both the usual employer's and employee's contributions at a standard weekly rate of 48 cents each, entitling the veteran to a weekly benefit of \$14.40, or \$18.30 if he has a dependent.

If the contributions made on behalf of a veteran who has served three months or more, together with any contributions he made before he enlisted, are not sufficient to entitle him to 90 days' benefit, the Government will make up the necessary extra contributions. Thus, every veteran will be entitled to protection against unemployment for at least 90 days, providing he has served the minimum of three months in one of the Special Forces.

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WEEK'S EVENTS IN REVIEW

"COLOMBO PLAN" FOR ASIA: A comprehensive six-year programme for economic development in South and South-East Asia was revealed on November 28 in a report published by seven member-countries of the Commonwealth - Australia, Canada, Ceylon, India, New Zealand, Pakistan and the United Kingdom. This programme is designed to raise production and living standards and thus promote economic and social stability in the area.

Development projects are blue-printed for India, Pakistan, Ceylon, Malaya, Singapore and British North Borneo. The plan attaches great importance to bringing in other countries of the area and to putting the whole programme into a world context:

"The need to raise the standard of living in South and South-East Asia is a problem of concern to every country in the world, not only as an end in itself, but also because the political stability of the area and its economic progress are of vital concern to the world."

The report shows how crucial this area is to a prosperous world trade. The effects of destruction and sacrifice during and since World War II have been grievous, despite the strenuous efforts already made towards recovery.

The area as a whole has 570 million people, of whom 446 million live in Commonwealth countries. With a rapidly growing population, the standard of living - already low - is in

danger of falling still further unless rapid steps are taken now to widen the horizons of economic development.

The target of the six-year development programme is to increase land under cultivation by 13 million acres, to produce 6 million more tons of food grains, to increase by 13 million acres the land under irrigation, and to increase electric generating capacity by more than 1 million kilowatts.

The "Colombo Plan" - as it is popularly known - began in January 1950 at a meeting in Colombo, Ceylon, of Cabinet Ministers representing the Commonwealth countries. At a second meeting in Sydney, Australia, in May, the group decided that a start on the problem of relieving the poverty and underdevelopment of this area could be made by each country drawing up a realistic assessment of what it could do in six years on the assumption of co-operation both inside and outside the Commonwealth.

At a further meeting in London these separate programmes were brought together. The meeting undertook a careful study of the problem as a whole and of its importance to a peaceful world based on freedom and adequate living standards. The conclusions of the conference are presented in the report now published.

Essential to the programme is an increased supply of skilled manpower. The Governments therefore agreed at their Sydney meeting to provide finance up to £8 million (\$22.4

CANADA AT THE UNITED NATIONS

MR. RIDDELL ON CHINA: The following is the text of the statement made in the First Committee on November 22 by R. G. Riddell, Permanent Representative of Canada, in connection with the proposal to create an investigating commission on the question of Soviet intervention in China:

"The statements made in this Committee a year ago and again this year by a representative of China, concerning the Chinese policies of the Soviet Union are indeed an eloquent accusation of bad faith in the conduct of a government towards a friendly state to which it was bound by an agreement of friendship and mutual assistance. We greatly regret that the Chinese people, at the moment when they seemed to have some hope of emerging from the disasters of the past twenty years, encountered new difficulties in the course of which they were subjected to pressures upon their borders and interference in their affairs by the Government of a powerful neighbour. We equally regret that, on the basis of present evidence, they will probably continue to experience such pressure and interference from that neighbour until they are once more strong and united.

COMMISSION PROPOSAL

"The representative of China proposes that the Assembly establish a commission to investigate his charges. In spite of the gravity of these charges, which we fully admit, we share the doubts that have already been expressed that a commission of the kind he proposes could add greatly to our knowledge of the circumstances. Dr. Tsiang has made available to the world the evidence he has placed before the Assembly. It does not seem to us, at this distance, from the events he recounts, that further investigation is likely to adduce important new evidence. Nor is it likely to alter the judgment of the circumstances which has already been expressed on many occasions by members of the United Nations. Many of these events took place at least three years ago.

"They are now part of history, and the influence which they had on the tragic course of events in China is also history. The important duty of the United Nations is to give as much help as it can in resolving the complicated political pattern which has emerged in the Far East. We do not think that it would be in a better or stronger position to perform these functions of the Assembly were it to agree to institute a formal enquiry into events which are already fully on the record and which it cannot now possibly influence.

"It has been suggested that the point of view which I am now expressing represents an effort to bury this question, and the representative of the United States said this morning that, in taking this action, we would

bury also the hopes of many people in this Assembly. I am not quite clear what hopes he referred to, but if he is suggesting that the people of China should be encouraged to derive some hope for escape from the heavy burdens which they bear by a federal investigation of the kind that is suggested, I do not fully follow his argument. Nor do I admit for a moment that those of us who have doubts as to the practical value of initiating a formal enquiry into this matter wish only 'to bury the matter'. These allegations cannot be buried; they are on record; they have been discussed; they will be discussed again; judgments have been made about them by this Delegation and by many other Delegations in the course of these discussions. The evidence is fully available and any additional evidence which appears may equally be made fully available. We are not proposing that they be buried. We are merely saying that little practical result can come from surveying them once again before a commission formally established by the United Nations.

"The same considerations which will lead this Delegation to oppose the establishment of a commission of enquiry will lead us also to oppose the suggestion that the item be referred to the Interim Committee."

MR. LAPOINTE ON PEACE PLAN: The following is the text of the statement on the Secretary-General's 20-year peace plan by Mr. Hugues Lapointe, Representative of Canada, in the Plenary Session of the General Assembly on November 19:

"The task of maintaining peace throughout the world is not simple; it is infinitely complex, is recurrent and it requires for its fulfilment constant and unremitting effort. Too often in the past it has seemed that nations, against their will, drifted into war through processes which they well knew would lead to disaster but from which they could not escape.

"Now that the United Nations exists, tragedy of this kind need not take place again. Here we have an agency through which the nations of the world can adjust their differences. In the view of my country we must continue to make use of the United Nations in all its aspects to explore and clarify the problems which threaten peace in the hope of finding solutions. For this reason we have welcomed the initiative taken by the Secretary-General in proposing for our consideration a programme for achieving peace through the United Nations. This has been a valuable effort to suggest methods and principles through which agreement can be reached. Part of the course of action he suggested has already, in some respects, been embodied in the efforts made in this Assembly to improve the capacity of the United

Nations to deal with aggression and in the continued concern which has been shown to work out practical measures for economic and social development.

"The programme which the Secretary-General proposed should be kept before us as a chart for further progress. My Delegation therefore is happy to sponsor the draft resolution which, in company with eight other Delegations, it has submitted. This resolution commends the Secretary-General for his initiative, asks all branches of the United Nations to consider his memorandum and to report through him to the Assembly at its next session on the results of such consideration. By adopting a resolution in these terms, the Assembly will permit the Secretary-General's proposals to be used as a guide to its members in their work, in constant reminder of the practical tasks which lie immediately at hand.

"As for the draft resolution submitted by the USSR, we consider this to be both improper and objectionable. In the second paragraph the Soviet Union Delegation seeks to commit the Assembly to a particular set of specific proposals, with all of which we are thoroughly familiar. They have been advanced many times, they have been repeatedly and thoroughly discussed, and they have always been revealed as inadequate or prejudicial to the general welfare and have been rejected. Now the Soviet Union Delegation seeks to give them currency once more by attaching them to the Secretary-General's broad programme for peace.

METHOD OF PRESENTATION

"Even if my Delegation was in favour of all the proposals included in paragraph 2 of the Soviet Union draft resolution, we would disapprove of this method of presenting them. There are in fact two of the detailed proposals, those mentioned in paragraphs 2 (e) and 2 (f), with which my Delegation finds itself in general agreement, although we could not accept the terms used in the Soviet Union draft resolution which are intended not to promote the programme of technical assistance and the development of international trade, but only to make unjustified insinuations about those who are seeking in action rather than words to achieve these ends.

"There are practical methods by which the Soviet Union can, if it wishes, join with other Delegations in expressing its support for technical assistance and for the development of international trade. We have always considered that the best profession of support for the technical assistance programme is to be found in a willingness to make a material contribution to the world of technical assistance. Similarly, in the general effort undertaken within the framework of the I.T.O. programme, there is ample opportunity for practical contribution towards the freeing of world trade.

"We hope, therefore, that Delegations, in supporting a general statement of commendation for the Secretary-General's memorandum, will refuse to have a catalogue of the particular policies of one government attached to this commendation, as is suggested by the Soviet Union Delegation, and will vote for the Joint Draft Resolution standing in the name of nine members."

* * * *

DESTROYERS BACK OFF KOREA. On Board HMCS Cayuga, off Korea -- Three Canadian destroyers, the Cayuga, Sioux and Athabaskan, were back on their old stamping grounds off the west coast of Korea on November 23.

The ships resumed their patrol and blockade duties on completion of a two-week trip to Hong Kong--the first break in their routine since their arrival in the Far East nearly four months ago.

Their job is pretty much the same as it was before--to blockade the coast and prevent the movement by sea of men and supplies to aid retreating communist forces. The presence of U.N. naval units is also designed to discourage enemy junks from sowing mines in harbours used by allied ships.

Captain J. V. Brock, 37, of Winnipeg and Vancouver, commanding officer of the Cayuga and commander of the Canadian destroyer division, is commanding a United Nations naval force consisting of British, Australian, Netherlands and Canadian units and patrolling the entire west coast of Korea.

This was the second U.N. command for Captain Brock. During the Inchon invasion he commanded a R. C. N. - R. O. K. force operating between Inchon and Kunsan.

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WORK TIME LOSS LESSENS: Time loss due to work stoppages arising from industrial disputes during October, 1950, showed a marked decrease from the previous month, and was less than half the loss in October, 1949, according to a monthly summary of strikes and lockouts released by the Minister of Labour, Mr. Gregg.

Four strikes accounted for more than 52 per cent of the time lost. These were shipyard workers in Vancouver, cleaners and dyers in Toronto, wire rope and cable factory workers in Lachine, P. Q., and motor vehicle factory workers in Windsor, Ontario. The strike of shipyard workers in Vancouver was the first strike recorded in the shipbuilding industry since November, 1947.

Preliminary figures for October, 1950, show 20 strikes and lockouts in existence involving 12 557 workers with a time loss of 29,973 man-working days as compared with 20 work stoppages in September, 1950, with 15,902 workers involved and a time loss of 38,376 days. In October, 1949, there were 22 strikes and lockouts involving 16 433 workers with a time loss of 69,992 days.

OCTOBER DOMESTIC EXPORTS \$315,200,000

\$204,400,000 TO U.S.: A summary of foreign trade figures for October released by the Bureau of Statistics shows a rise in Canada's total domestic exports to \$315,200,000 from \$269,100,000 in October, 1949, and an increase in estimated total imports to \$323,700,000 compared to \$234,300,000. Domestic exports to the United States rose to \$204,400,000 as against \$148,100,000, but to the United Kingdom declined to \$47,700,000 compared to \$72,300,000. Estimated imports from the United

States amounted to \$213,700,000 compared to \$167,600,000, and from the United Kingdom to \$40,800,000 as against \$19,400,000.

The import figures are only preliminary and therefore subject to revision. Final and detailed statistics of imports will not be available for about three weeks. Those for exports will be issued in a few days.

The preliminary figures on the month's foreign trade are summarized in the following table:-

	October, 1949		October, 1950	
	Domestic	Foreign	Domestic	Foreign
<i>(Millions of Dollars)</i>				
Exports -				
United Kingdom	72.3	0.5	47.7	0.3
Other Commonwealth countries ..	17.5	0.1	17.0	0.2
United States	148.1	1.8	204.4	3.0
Other foreign countries	<u>31.3</u>	<u>0.2</u>	<u>46.1</u>	<u>0.2</u>
Total, all countries	<u>269.1</u>	<u>2.6</u>	<u>315.2</u>	<u>3.7</u>

	October, 1949	October, 1950 **
	Imports -	
United Kingdom	19.4	40.8
Other Commonwealth countries ..	19.3	27.5
United States	167.6	213.7
Other foreign countries	<u>28.0</u>	<u>41.7</u>
Total, all countries	<u>234.3</u>	<u>323.7</u>

**Estimate only. Subject to revision.

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PACIFIC WEATHER STATION: At a brief but impressive ceremony on November 24, at Victoria, B.C., the Minister of Transport, Mr. Chevrier, dispatched the first unit of Canada's contribution to the Pacific Ocean network of weather stations.

The C.G.S. "St. Catharine" was loosed from its moorings by the Minister and she set sail for Weather Station "P" for Peter in the Northern Pacific Ocean to take up position at latitude 50 North and longitude 145 West. This position is approximately 800 miles due west of Victoria, and, stated the Minister, "is the most northerly of a chain of weather stations which dot the Pacific and which provide most valuable weather information for trans-Pacific aviation and shipping."

Before a gathering of representative dignitaries and officials of government, aviation and shipping, and many other industries, Mr. Chevrier pointed out that "from a point of view of Canada's weather, Station "P" is possibly the most strategically placed in the

whole Pacific to furnish information for long-range forecasts."

Its importance to the Canadian economy "will be of the utmost value to Canada and Canadians", stated the Minister, "and from a point of view of safe-guarding aviation, the advance information provided by the weather station will be invaluable in plotting flights by Canadian aircraft from Vancouver to Asia, to the Antipodes and the Aleutians."

He pointed out the advantages of the new Pacific weather station to various industries and shipping when he stated "coastal shipping will also benefit from the advanced forecasts provided, as well as the orchards of the Okanagan valley, agriculture in general, logging and industry."

Mr. Chevrier made known that the position of the new weather station "is particularly significant from a global or international point of view" inasmuch as it will be situated at a key point in the Pacific.

"COLOMBO PLAN" FOR ASIA

million) to set up a Council for Technical Co-operation, with headquarters at Colombo, which would intensify the training and exchange of skilled technicians and would co-operate with other agencies in this field, such as the technical aid programme of the United Nations and the point-four programme of the United States.

The report details the development already in progress and emphasized that the new programmes cannot succeed without substantial new capital investment. It estimates that the programmes outlined would cost about £1,900 million sterling (equivalent to \$5.2 billion) over six years, of which £785 million (\$2.2 billion) would be found internally, while the balance of £1,085 million (\$3 billion) would have to come from outside.

CONSIDERING FINANCIAL AID

Out of £1,085 million of foreign exchange needed to further the plan £246 million, or nearly one quarter, would be provided in the form of the release by the United Kingdom sterling balances owned by the countries concerned. The Commonwealth Governments are considering how far their countries can help financially in various other ways.

At the same time, says the report, the task of providing this financial support cannot be tackled by these Governments alone. If the programme is to be carried out in full, the co-operation of other Governments, of organizations such as the International Bank for Reconstruction and Development, and of private investors in other countries will be necessary.

Of expenditure planned under the programmes, 32 percent would be devoted to agriculture (including multi-purpose projects of flood control, irrigation and hydro-electric power), 34 percent to transport and communications, 6 percent to industry and mining and 18 percent to urgently needed improvements in educational and health facilities and other social projects.

Emphasizing the importance of getting the full programme under way urgently, the report concludes:

"Without external financial assistance something will be done. But it will be done at a much slower rate than would be possible if external finance were provided.

"And speed is necessary. In a world racked by schism and confusion it is doubtful whether free men can long afford to leave undeveloped and imprisoned in poverty the human resources of the countries of South and South-East Asia which could help so greatly, not only to restore the world's prosperity, but also to redress its confusion and enrich the lives of all men everywhere."

CURRENT EMPLOYMENT SITUATION Workers now being released from agriculture and construction as cold weather curtails activity in these industries, are finding many more jobs available this year than last, the Minister of Labour, Mr. Gregg, reported on November 27. The Eastern Canadian logging camps need many workers to cut their increased quotas of logs. Base metal mines require additional help. In the metal manufacturing industries, there are many job openings for skilled and semi-skilled workers.

At the same time, the end of the harvest in most sections of the country, the seasonal shutdowns on some construction projects, and a few temporary layoffs due to material shortages were being reflected in an increase in the number of applications for work on file at National Employment Service offices. At November 2, the total number of live applications on hand amounted to 147,000, an increase of 10,400 over the total on October 19, but 25,400 below the total on November 1, 1949.

LOGGING INDUSTRY HELPED

Many of the workers released from agriculture were finding employment in the logging industry. In most cases, this influx had gone a long way towards easing the acute shortages of loggers which existed at the beginning of October. A few areas, especially in northern Ontario and some of the more remote districts of Quebec, were still having considerable difficulty in finding enough experienced men to cut the increased quotas of pulpwood logs.

Employment continued to increase in most primary iron and steel plants, aircraft factories and many firms manufacturing machinery and equipment for both producers and consumers. Electrical apparatus plants increased their staffs still further to reach new peaks of production and employment. In some automobile firms, there were temporary layoffs, however, while the plants were being retooled for new models. In many textile plants, clothing firms and leather goods factories, employment was increasing seasonally. Some chemical and rubber plants were expanding their staffs. The demand for skilled metal tradesmen remained strong, and many firms continued to report difficulty in finding applicants with suitable skill and experience. There was little increase in demand for unskilled workers from manufacturing industries.

Although construction employment has begun to decline from its seasonal peak in some sections of the Maritimes and Quebec, employment in this industry in Ontario and the Prairies continued at the seasonal peak, in an effort to complete as much work as possible before the freeze-up.

DEFENCE CONSTRUCTION AGENCY: Effective immediately, the procurement of new construction projects required for the Department of National Defence will be carried out by a Crown Company to be known as Defence Construction Limited, with head office in Ottawa, the Minister of Trade and Commerce, Mr. Howe, announced on November 23.

"Owing to the accelerated programme of defence construction, currently estimated at \$100,000,000, it was felt desirable to charge a single Crown Agency with the special task of expediting the letting of contracts for defence construction projects and supervising their completion," Mr. Howe said.

"The services, facilities and construction personnel of Central Mortgage and Housing Corporation will be made available to Defence Construction Limited. These facilities include five regional offices located at Halifax, Montreal, Toronto, Winnipeg and Vancouver. Engineering and inspection personnel are already established at most of the sites where defence construction will be carried out. For engineering and supervision of some structures, existing facilities will be augmented by the employment of private consulting engineering firms.

"Contractors, holding contracts for new construction arranged through the Canadian Commercial Corporation, are being advised that, effective immediately, their contracts are under the administration of Defence Construction Limited. Contractors bidding on projects which are currently the subject of advertised invitations to tender by the Canadian Commercial Corporation, should submit their tenders to the Canadian Commercial Corporation, as called for in the advertisement and Forms of Tender. Arrangements have been made to transmit tenders to Defence Construction Limited immediately following their opening in the offices of the Canadian Commercial Corporation at the advertised time.

"President and General Manager of Defence Construction Limited will be R.G. Johnson, who was recently appointed construction consultant for the Canadian Commercial Corporation, on loan from the Canadian Construction Association, of which he is General Manager".

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TRAINING CRUISE SUCCESS: A number of congratulatory messages on the success of the European training cruise of the Canadian Special Service Squadron have been received, it was announced on November 27 by Naval Headquarters. The Squadron, commanded by Rear Admiral E.R. Mainguy and consisting of the aircraft carrier Magnificent and the destroyers Huron and Micmac, arrived at Halifax on November 26.

With its heavy programme for training at sea and a continual round of official functions and ceremonies in port, the cruise was far from being a pleasure jaunt for the Cana-

dians. The messages indicate that the Navy made new friends for Canada as officers and men went ashore and mingled with the citizens of nine European countries.

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CHARLES A. O'BRIEN APPOINTMENT: D.L. Howard, President and General Manager, Canadian Overseas Telecommunication Corporation, has announced the appointment of Charles A. O'Brien, of Ottawa, as Manager of Personnel and Public Relations of the crown-owned corporation. Mr. O'Brien is press officer with the Department of Transport. His new appointment is effective December 1.

Well known in press and radio circles, Mr. O'Brien served five years with the Canadian Army and joined the government service in December, 1945 as publicity officer with the Department of Munitions and Supply. He was appointed to the Information and Editorial Bureau of the Department of Transport with the acquisition of a number of services from Reconstruction and Supply, and has served under Honourable Lionel Chevrier ever since.

Mr. O'Brien has served as press liaison officer on numerous domestic and international conferences, and for the past two years has been Chairman of the Editors and Public Relations Group of the Professional Institute of the Public Service. He is a member of the executive of the Montgomery Branch, Canadian Legion, and a member of the Ottawa Press Club.

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WHEAT STOCKS: Deliveries of wheat by farmers in the Prairie Provinces during the week ending November 16 were sharply above the corresponding week last year, and with decreased overseas export clearances the visible supplies in North America moved above last year's stocks.

Marketings of wheat from farms in the Prairie Provinces during the week amounted to 11,391,713 bushels as against 4,008,800 a year earlier, and the overseas export clearances decreased to 3,313,320 bushels from 5,919,100, while stocks of Canadian wheat in store or in transit in North America at midnight on November 16 totalled 210,487,194 bushels compared with 171,165,220.

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ARMY WINTER TRAINING: The Canadian Army is continuing its long term plan for winter training for members of the Active and Reserve Forces, military authorities announced.

But the plan, as implemented last year, has been changed somewhat, especially where Reserve Force personnel are concerned. This year their winter training will consist mostly of week-end outdoor exercises conducted locally. Last year hundreds of reservists were graduated from Active Force winter warfare schools and this year will instruct RF personnel in winter training at all local reserve headquarters.

RECORD U. S. SECURITY PURCHASES IN CANADA

\$121,500,000 IN SEPTEMBER: Trade in outstanding securities between Canada and other countries in September reached an all-time high record for a month, due to heavy sales to purchasers in the United States. Sales of all types of outstanding securities to that country in the month totalled \$173,200,000 as compared with the high total of \$72,000,000 in August and \$21,100,000 a year ago, while Canadian purchases amounted to \$26,100,000 compared with \$17,900,000 in August and \$20,300,000 in September, 1949. The resulting sales balance of \$147,100,000 was close to three times as large as the previous high established in August.

Net sales of Canadian Government issues to the United States in September totalled \$121,500,000, a figure far in excess of the previous monthly record of \$43,300,000 in August. The September sales balance in this type of security not only exceeded data for any other month but was larger than the corresponding annual data for any of the 17 years during which this type of information has been recorded by the Bureau. Transactions in Canadian Government issues with the United States were supplemented by a sales balance of \$13,700,000 in other types of bonds -- more than half of which was in provincials -- and \$7,400,000 in United States stocks.

These security transactions were a major

element in the unprecedented inflows of capital to Canada from the United States in August and September.

Net sales to the United States in the first nine months of this year amounted to \$231,800,000 and contrasted sharply with the small purchase balance of \$700,000 set up in the first nine months of 1949.

Transactions with the United Kingdom produced a purchase balance in September for the 13th consecutive month. The balance, at \$2,400,000, was somewhat larger than average for the year and arose almost entirely out of trade in Canadian stocks. Net repurchases of Canadian stocks from the United Kingdom have amounted to \$20,000,000 during the past 12 months.

Transactions with other countries, principally in Canadian stocks, produced a sales balance of \$1,200,000, the highest monthly figure in a long period.

Sales to all countries in the month totalled \$175,300,000, as against \$73,300,000 in August and \$21,600,000 in September last year, and the purchases amounted to \$29,500,000 as compared with \$19,400,000 in August, and \$25,000,000 a year earlier. Nine-month sales to all countries aggregated \$425,600,000 as compared with \$163,200,000, and the purchases totalled \$206,600,000 compared with \$168,200,000.

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BUSINESS

Cars of revenue freight loaded on Canadian railways for the week ended November 18 totalled 88,284 cars -- a new record for the week -- as compared with 82,950 in the corresponding week last year. The previous high for the period of 86,961 cars was recorded in 1948.

Canadian canal systems continued very active during September, and freight passing through totalled 5,695,543 tons -- a new monthly record -- as compared with 3,227,063 tons a year ago. Some of the increased traffic was likely due to the railway strike in the latter part of August.

The value of inventories held by Canadian manufacturers in September was slightly below the August level but higher than a year earlier, according to the Bureau of Statistics. The general index, on the base 1947=100, stood at 133.6 as compared with 133.8 for August, and 126.6 for September last year.

Canadian production of gold in September remained practically unchanged from the same month last year, while in the first nine months

of this year output was nine per cent higher than in 1949. The month's output amounted to 364,906 fine ounces as compared with 364,689 in September last year, bringing the cumulative total for the nine-month period to 3,309,692 fine ounces as against 3,020,666 in the like period of 1949.

Estimated quantity of milk produced on Canadian farms in September was four per cent lower than in the same month last year, the month's output amounting to 1,531,000,000 pounds as compared with 1,598,000,000 in September last year. Preliminary estimates for October indicate a decline of about 10 per cent from a year earlier.

* * * * *

EMPLOYMENT INDEX AT PEAK: Industrial employment in Canada showed a further increase at October 1 this year, according to advance figures released by the Bureau of Statistics. The general index, which stood at a new peak, rose 1.5 per cent over September 1, and was 3.6 per cent higher than October 1 last year. The expansion in industrial employment was accompanied by a gain of 5.5 per cent in the advance index number of payrolls, which, at September 1, had been seriously affected by the railway dispute.

PRIZES FOR INDUSTRIAL DESIGNS: Six prizes aggregating \$10,000 will be awarded by the National Industrial Design Committee to stimulate interest in good industrial design among designers, manufacturers and the general public, the Minister of Trade and Commerce, Mr. Howe, has announced. Competitors are required to submit designs of equipment for normal living requirements, either in aluminum or in wood. Three prizes will be awarded for each classification, the first amounting to \$2,500, the second to \$1,500 and the third to \$1,000. The products must be of Canadian materials, produced in Canada and must have a ready appeal to the average Canadian.

* * * *

"CIRCUS" PILOTS WARNED: With a view to curtailing accidents among private flying enthusiasts, Department of Transport Air Services authorities on November 29 issued a stern warning to the "show-off" pilot that severe penalties will be handed out for any infringement of Canada's Air Regulations.

Air Services officials have statistics to prove that an exceptionally high percentage of aircraft accidents have resulted from low-flying, and the Transport Department is backing up the demands of the public and law enforcement officers that severe penalties be imposed upon any pilot found guilty of the slightest deviation from standard regulations.

One recent case of low-flying brought prosecution to a pilot who did a little "showing-off" for his two passengers by low-flying over a veterans housing area of 100 houses. The aircraft collided with high tension power lines and crashed into a nearby field. The pilot and his two passengers miraculously escaped death.

The pilot in this case was sentenced to seven days, with a fine of two hundred dollars, and an additional two months in default of payment of the fine. Unable to pay the fine, the pilot is now serving the sixty day imprisonment.

As one Air Services official put it, "this case will give ample demonstration that absolutely no leniency will be shown to foolhardy pilots who seek to perpetually glamorize flying. Civil aviation is serious business, and we have no room for circus flyers"

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SAYS IRON, STEEL, MAY BE REPLACED: "It may be that the important characteristics of the years before us will be the replacement of iron and steel by the 'light' metals", the Minister of Transport, Mr. Chevrier, told the Vancouver Board of Trade on November 22. He enumerated the various mineral areas which had been prospected and developed by air transport and said that "the quest continues at an even greater pace as new discoveries on the indus-

trial front bring forth new demands for the lighter metals and alloys." He further stated that no one could foretell "the precise effects that the recent oil discoveries in Alberta may have upon our economic growth, but they might well be tremendous."

Speaking on the subject of "Transportation and Industrial Development", the Minister traced the interrelation of these factors in Canada's economic growth and praised the Province of British Columbia for "playing a vital role in the transportation field and industrial life of this country." He said that "for a country which not long ago was famous only for its furs, Canada may view with satisfaction its industrial growth. We who have an interest in transportation may take pardonable pride in the part that transportation has played in this growth"

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FORESEE FARM LABOUR SHORTAGE: Federal, provincial and United States Government officials meeting at the Eighth Annual Federal-Provincial Farm Labour Conference which opened in Ottawa on November 28 have agreed that there is likely to be a serious shortage of farm labour in both Canada and the United States in 1951.

The principal factors which were expected to bring about this situation were: increasing employment in industry, particularly in the aircraft, lumber, shipbuilding and mining industries, and the steady migration of young men and women from the farms to urban centres.

The Minister of Labour, Mr. Gregg, in welcoming the delegates congratulated the provincial and federal officials on the technique they have worked out for the many problems in connection with farm labour. He stated that in the light of the uncertainties of the immediate future he felt there was a growing need for the type of effort that was being carried out under the federal-provincial farm labour programme.

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DESTROYERS TO BE RELIEVED: Naval Headquarters has confirmed that the three Canadian destroyers serving in the Korean theatre, H.M.C. Ships Cayuga (Capt. J.V. Brock), Sioux (Cdr. P.L. Taylor) and Athabaskan (Cdr. R.P. Welland), would be relieved according to the schedule announced last month.

The Sioux will be the first to be relieved. She is scheduled to be replaced around the end of the year by H.M.C.S. Nootka (Cdr. (P) A.B. Fraser-Harris), which sailed Saturday, November 25, from Halifax for Korea, going by way of the Panama Canal and Pearl Harbour.

This will bring the Sioux back to her home port of Esquimalt in late January.

According to present plans, the Cayuga will be relieved early in March and the Athabaskan later in the same month.



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WEEK'S EVENTS IN REVIEW

CONSIDER ALL-CANADIAN SEAWAY: "Completion of the Great Lakes-St. Lawrence Seaway to a full depth of 27 feet would guarantee forever an all water route for our Canadian wheat, coal, petroleum and other products at a substantially reduced transportation cost through the elimination of trans-shipment at such points as Prescott, Port Colborne and Port McNicoll," stated the Minister of Transport, Mr. Chevrier, in the course of a prepared speech carried over the C.B.C. network programme "The Nation's Business", on November 21.

The Minister declared that the Great Lakes-St. Lawrence Seaway plan was a "power and navigation scheme not a power scheme alone as some interests would seem to indicate," and added: "If it is impossible to obtain the joint development referred to in the 1941 Agreement (with the United States), then consideration must be given, as indeed it already has, to an all-Canadian route."

In outlining the navigational and hydro power potentialities of the Great Lakes Seaway project, Mr. Chevrier estimated that nine million horsepower could be developed under the project of which approximately six million horsepower would be available to Canada. He stated that the acute shortage of power in the Province of Ontario "is further accentuated by the present increasing activity in defence production," and that the power situation in the large industrial area adjacent to Montreal in the Province of Quebec was "satisfactory

for but a few years." In the New England and northern New York districts "there is a much more critical shortage of hydro electric power," and it is anticipated that provision of an additional quantity of power from the United States share of any development in the International Rapids Section "would be absorbed as quickly as it can be produced."

With respect to the navigational importance of the project, the Minister said that "the newly discovered iron ore fields of Northern Quebec and Labrador can be most speedily exploited only when the St. Lawrence Seaway is completed." He pointed out that the backbone of the steel industry in the United States has been the high grade iron ores of the Mesabi Range to the south of Lake Superior. This is being rapidly depleted, hence the "interest in the fields of Quebec and Labrador where upwards of 400,000,000 tons of high grade ores have been amply proven."

Mr. Chevrier summed up the present situation in the following words: "Canada has entered into an agreement with the United States for the joint development of power and navigation on the St. Lawrence. Canada believes that this agreement, with certain modifications if need be, is the best from an engineering and economic point of view for all parties concerned. It was arrived at after years of careful study by competent engineers, both American and Canadian. We in Canada hope that this agreement will be implemented."

IMPORTS, EXPORTS SET 9-MONTH RECORDS

TRADE WITH U.S. SOARS: Canadian exports and imports in September both showed sharp gains in value over a year earlier and moderate increases over August, boosting their already high aggregate values for the first eight months of the year to produce an all-time peak for imports and a peacetime peak for exports for a nine-month period. Both in the month and nine months, the gain over last year in value of imports exceeded the rise in exports, the results being a reduced credit balance in trade with all countries in September and a small debit balance in the nine months.

Total domestic and foreign exports during September were valued at \$282,700,000 compared to \$230,900,000 a year earlier and \$260,600,000 in August, while imports from all countries amounted to \$279,700,000 as against \$221,600,000 and \$267,300,000, respectively. The month's trade thus yielded a credit balance of \$3,100,000 as compared to an export surplus of \$9,400,000 a year earlier and an import surplus of \$6,600,000 in August.

During the nine months ended September, total shipments were valued at \$2,248,200,000 as compared to \$2,167,000,000 in 1949, while total imports rose to \$2,259,500,000 from last year's aggregate of \$2,073,900,000. There was consequently an import surplus of \$11,300,000 in the nine months in contrast with a credit balance of \$93,100,000 for the 1949 period.

The outstanding feature of Canada's foreign trade in the month and nine months was the expansion of exports to the United States. During September domestic exports across the border climbed to an historic peak value of

\$192,800,000, nearly 70 per cent above the value of \$113,700,000 for September last year, while foreign exports moved up to \$3,100,000 from \$1,700,000. At the same time, imports from the United States rose more moderately to \$177,400,000 from \$158,000,000. The month's commodity trade with the United States thus produced an exceptional credit balance of \$18,600,000.

During the nine months, domestic exports to the United States reached an aggregate value of \$1,433,100,000, up nearly 40 per cent from \$1,024,300,000, and foreign exports increased to \$20,600,000 from \$14,600,000, while imports advanced only \$54,500,000 from \$1,470,600,000 to \$1,525,100,000. The customary debit balance with the United States accordingly fell to \$71,400,000 for the nine months from \$431,700,000 a year ago.

In contrast with the expansion in shipments to the United States, domestic exports to the United Kingdom declined in September to \$30,400,000 as compared to \$56,900,000 a year earlier, and for the nine months were down to \$344,100,000 as against \$526,000,000 in 1949. On the other hand, imports from the United Kingdom increased to \$36,200,000 in the month from \$21,900,000 in September last year, and in the nine months to \$290,400,000 from \$240,700,000. Including the small value of foreign exports, Canada had an adverse balance of \$5,600,000 in trade with the United Kingdom in the month as compared to a credit balance of \$35,500,000 in September 1949, and in the nine months a credit balance of only \$55,500,000 as against \$288,400,000 last year.

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H.M.C.S. SIOUX BATTERED BY STORM: The Canadian destroyer H.M.C.S. Sioux was battered by the worst weather experienced by any of the three Canadian ships serving with the United Nations in the Far East when she was hit by the vanguard of typhoon "Clara" which swept across the China Sea.

The Sioux, which arrived in Hong Kong on November 11, was in company with the British light fleet carrier Theseus when the storm struck.

The destroyer's crew has since been using the China Sea typhoon as the yardstick for all bad weather yams.

One salty veteran with 10 years' sea experience said he had "never seen anything like it before."

The Sioux's port side bore the brunt of the storm and when she arrived in port, was in a shambles. Guard rails were twisted out of shape, a steel ladder was bent and all that remained of the port whaler was a small part of the bow: the boat had been smashed to bits.

THAI NAVY VISITORS: A five-man Mission of high ranking officers of the Royal Thai Navy visited Canada this week for the first time, and toured naval establishments, industrial firms working on National Defence contracts, and other military and Air Force establishments, Naval Headquarters announced.

The officers arrived in Ottawa on November 19, and will return by air to Washington on November 27. Acting for the Royal Canadian Navy as conducting Officer for the Mission was Commander Georges A. Larue, at present holding an appointment with the Cabinet Secretariat.

The members of the Mission were: Rear Admiral Jan Pachusanon, Deputy Chief of the Naval Staff; Captain Djamrat Peganan, Technical Adviser of the Naval Ordnance Department; Captain Charlie Sindhusopon, Chief of the Naval Signal Corps; Captain Sombandh Bunnag, Chief of the Explosives Section, Naval Ordnance Department, and Captain Damri Palkavongse, Royal Thai Naval Attaché in Washington.

TRADE ACCORD WITH COSTA RICA: The Minister of Trade and Commerce, Mr. Howe, has announced that a commercial modus vivendi between Canada and Costa Rica was signed at San José on November 18 by the Canadian Delegation at present visiting a number of Latin American countries.

This agreement is to be valid for one year following its ratification by Costa Rica, and continues in force automatically unless denounced. As under the previous arrangement, which it replaces, Canada and Costa Rica exchange most-favoured-nation treatment in all matters respecting customs duties and charges. This agreement also provides for the exchange of most-favoured-nation treatment in matters relating to the granting of exchange and to the allocation of import quotas for commercial transactions.

Canadian goods imported into Costa Rica will be assured treatment no less favourable than that extended to other countries, such as the United Kingdom and the United States.

Any tariff concessions that either Canada or Costa Rica may grant in the future to a third country, will automatically be extended to the other. For example, although Costa Rica is not a party to the General Agreement on Tariffs and Trade, any tariff reductions that Canada may grant as a result of the G.A.T.T. negotiations, now in progress at Torquay, will apply equally to Costa Rica.

Mr. Howe pointed out that, as a result of this agreement, Canada will be guaranteed reduced rates of duty accorded by Costa Rica on a number of items of the tariff, such as: fresh apples, oatmeal and rolled oats, milk powdered and evaporated, canned salmon and sardines, canned fruits and vegetables, dried codfish, typewriters, stockings, paper towels.

* * * *

DEFER YARMOUTH FERRY: The Minister of Transport, Mr. Chevrier, announced on November 17 that lack of steel had made it necessary for the Government to suspend temporarily construction of the proposed ferry which was to operate between Yarmouth, N.S., and the nearest convenient point in the New England States. The Minister stated, however, that all preliminary plans have been completed and the project is ready for execution as soon as steel is again available and conditions permit of the work being undertaken.

It was announced a year ago that the Government was considering the advisability of having such a car ferry constructed for operation between Yarmouth and the New England States. Cost of transportation was to be borne jointly by the Government of Canada and the Province of Nova Scotia. A special governmental committee which was appointed by the Minister has since reported in favour of Yarmouth, N.S., and Bar Harbour, in the State of Maine as providing the best terminal facilities for the proposed car ferry.

PAINTING EXHIBITION IN WASHINGTON: More than 50,000 persons have visited an exhibit of Canadian painting in Washington -- first ever held at the National Gallery of Art, the Canadian Press reports from the United States Capital.

The Exhibition, on view from October 29 to December 10, has received favourable comment from press and public, and warm commendation from David E. Finley, Gallery Director, the report continues.

Mr. Finley spoke of the large number of able and original Canadian painters "who have interpreted their own country, and especially its landscape, with the deep feeling that comes only with a love of one's native land.

"The work of many of these artists," he said, "is widely appreciated in the United States. But, with the exception of the exhibitions held recently in Boston and Richmond, there have been few opportunities for the American people to become acquainted with the great body of Canadian painting."

The exhibit comprises 87 paintings, from public and private collections, assembled by the National Art Gallery of Canada.

Rt. Hon. Vincent Massey, Chairman of the Board of Trustees, said the purpose is "to show the main trends in Canadian art during the last 50 years."

Eight paintings from the 18th and the 19th centuries provide the historical background.

The Washington Star said editorially that not all the paintings will please everybody. But, it said, the extremes which bring this about prove once more "the richness, the variety, the power of Canadian culture."

The works range from one by François Beaucourt (1786), through the well-known "Group of Seven" of the Nationalist period, a series by Tom Thomson in the naturalist view, introspective canvases by Lillian Freiman, and abstractions by B.C. Binning and Marian Scott.

* * * *

NAVAL SHIPBUILDING CEREMONIES: Two significant events in Canada's current \$71,000,000 naval shipbuilding programme are taking place this week.

At the yards of George T. Davie and Sons, Ltd., Lauzon, Quebec, the first of five trawler-type gate vessels to be built for the Royal Canadian Navy is being launched, and the keel of the first anti-submarine escort vessel is being laid at Canadian Vickers Ltd., Montréal.

The five gate vessels will bear the names of five historic wall gates in Montreal, Quebec and Louisburg. The Porte Saint-Jean, "is named after a famous gate in Quebec City. The other four will be named Porte Saint Louis -- another Quebec gate; Porte Quebec, a once famous gate in Montreal, and Porte Dauphine and Porte de la Reine, historic gates of Louisburg. The Porte Saint Jean will be christened by Mme. Maurice Bourget, wife of the member of Parliament for Lévis County.

WHEAT CROP ESTIMATE NOW 462,000,000 BUSHEL

95,000,000 ABOVE 1949: Canada's wheat crop this year is now placed at 462,000,000 bushels, 95,000,000 above the 1949 crop of 367,000,000 bushels, according to the November estimate of production of grain, forage and root crops by the Bureau of Statistics. Output of coarse grains is also up markedly from 1949 levels. The oat crop is estimated at 420,000,000, an increase of 102,000,000 over 1949; barley at 171,000,000, up 51,000,000; and mixed grains at 74,000,000 bushels, a rise of 18,000,000 bushels.

The combined outturn of spring and fall rye is placed at 13,300,000, well above the 1949 level of 10,000,000 bushels, while the flax-seed crop, estimated at 4,500,000 bushels, is almost double last year's 2,300,000. Increases from the 1949 level are also common to other field crops, with the exception of dry peas and dry beans, for which moderate decreases are indicated.

Harvesting was unseasonably late this year over much of Canada and the September crop estimate (related to conditions at August 31) was necessarily based largely on pre-harvest estimates of yields. August frosts and unfavourable harvesting and threshing weather in September and October in western Canada adversely affected outturns of wheat, barley and flax particularly, and the estimates for these crops are significantly lower than the September forecast. Little change however is in-

dicated from the level established by the special October estimate (covering wheat, oats and barley in the Prairie Provinces) which was based on conditions at October 1. In eastern Canada, harvesting conditions were generally favourable and yields of many crops, e.g., potatoes and corn, were higher than anticipated earlier in the season.

This year's wheat crop at 462,000,000 bushels is 68,000,000 above the 10-year (1940-49) average of 394,000,000 bushels. The crop in the Prairie Provinces is placed at 427,000,000 as compared with 337,000,000 in 1949 and 370,000,000 for the 10-year average. The estimated average yield of wheat in the Prairie Provinces this year is 16.5 bushels per seeded acre, with Manitoba averaging 21.0, Saskatchewan 16.0 and Alberta 16.1 bushels per seeded acre. Due, however, to frost damage and unseasonable harvesting weather, an abnormally high proportion of the crop in each of the three Prairie Provinces is of low quality. The western wheat crop contains a small proportion of winter wheat which is grown chiefly in Alberta and is included in these estimates under spring wheat.

In the remaining Provinces of Canada wheat production is placed at some 35,000,000 bushels, with Ontario's outturn of 31,200,000 (30,100,000 of which is winter wheat) accounting for the principal part.

* * * * *

TWO OF THREE ARE VETERANS: Two out of every three men in the Canadian Army Special Force, one battalion of which soon will join United Nations troops fighting in Korea, have had previous service in the Navy, Army or Air Force, according to figures compiled at Army Headquarters.

Of 9,032 other rank members of the force surveyed, all, with the exception of 3,527 have had "the course" during or since the Second World War.

All but one of a total of 105 officers whose records were complete had previous military experience in the Armed Forces.

Some 3,041 men and 36 officers who enlisted in the force saw active service with the army during the last war. A total of 258 served with the Navy and another 259 enlisted with the RCAF. Twenty-six served with the Navy of a country other than Canada; 83 with another country's army and 10 with an air force other than Canada's.

A total of 1,288 Special Force men served in the Reserve Army only, with an additional 475 serving in the Reserve and elsewhere; five served under the National Resources Mobilization Act, while one enlisted NRMA and later served with the Reserve Force. One adventure-some type saw active service in all three

branches of the Service.

Of the 105 officers on whom information was available, 80 served with the Active Army. All but one of the remainder served with Army Reserve Force, the Canadian Officers Training Corps, the Royal Canadian Navy, the RCNVR or the RCAF.

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MENTAL INSTITUTIONS: There were 54,703 persons at the end of 1947 on the books of 59 Canadian institutions devoted to the care and treatment of the mentally ill and mentally defective, according to figures contained in the sixteenth annual report on mental institutions issued by the Bureau of Statistics. In 1946, the number was 53,423. Resident patients at the end of 1947 numbered 50,203, of whom 75.3 per cent were classified as psychotic and the remainder were without psychosis.

The proportion per 10,000 of the estimated general population receiving care in these institutions in 1947 was 40 for Canada as a whole, and the ratio between the sexes was 119.8 males to each 100 females. The average age of first admissions was 42.7 years, while the average over the past 16 years was 40.2 years.

RCAF DETACHMENT IN TOKYO: With 426 Thunderbird Squadron at Haneda air base, Tokyo, Japan, November 17 -- Here in Tokyo, at the Far East terminus of the Pacific airlift, a detachment of Canadians, members of the 426 Thunderbird Squadron, are making Air Force history as the first detachment of RCAF airmen in Japan.

The 23 men forming the unit service the big four-engine North Stars which thunder in from across the Pacific daily on the greatest "air-bridge" of all times, the United Nations airlift.

The Thunderbirds have 12 North Stars flying the airlift, and the Tokyo detachment's job is to see that everything is in order before the aircraft leave on the return trip back to McChord Field, near Tacoma, Washington. As each of the North Stars rolls to a stop at the Haneda field it is met by a complete servicing crew, which receives the aircrew's report on any troubles which might have arisen during the 25 flying hours it takes to cross the northern Pacific. Even if the crew has nothing to report to the servicing men, the aircraft is gone over systematically to seek out any hidden faults which might have developed. When the big North Star heads down the runway homeward bound, everything has to be right.

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WINTER GEAR FOR "PATS" IN KOREA: Personnel of the 2nd Battalion Princess Patricia's Canadian Light Infantry will be issued with extra cold-weather clothing including parkas and long woollen underwear before sailing for Korea, Army Headquarters has announced.

Fully cognizant of the fact that United Nations troops in North Korea are having to cope with snow and extreme cold as well as a ruthless enemy, military authorities are dipping into large stocks of winter clothing to outfit the "Pats". It is similar, in some cases, to that worn by Canadian soldiers exercising in the far north. They are determined that members of the unit, first Canadian regiment to be sent to aid United Nations forces in the Far East, will be warm and dry if and when they take over their Korean foxholes.

The special issue includes, in addition to parkas and heavy underwear, wind-proof trousers, mitts, extra heavy socks, winter caps and shoe-packs -- leather topped boots with rubber soles.

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FILM STRIPS FOR ESKIMOS: Film strips -- a new type of Arctic teaching aid -- will have their first try-out in Eskimo audiences early in the new year.

The series of four, "THE ESKIMOS AND THEIR FELLOW CANADIANS", "CONSERVATION OF THE CARIBOU", "FOOD FOR ESKIMOS" and "DOGS", was completed recently for the Arctic Division of the Department of Resources and Development by Dr. Carter Storr of Ottawa, well-known

visual educationalist. They will be flown north to Welfare Teachers at Fort Chimo, Port Harrison, Coppermine, Port Barabant, Coral Harbour and Cape Dorset.

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CANADA SAVINGS BONDS: Current figures on Payroll Sales of Canada Savings Bonds amount to \$150,252,200 - an increase of 6.7% over final employee purchases last year.

Commenting on this result, J.E. Coyne, Deputy Governor of the Bank of Canada said "The fact that this increase has been achieved on top of 20% increase last year reflects the keen interest of employers and employees and the hard work of Payroll Savings representatives."

Average purchase by employees was \$234.40 - an increase over last year's average purchase which was \$222.28.

In the final sprint Quebec region is first with 116.56% of last year's sales at the comparable stage in last year's campaign, followed by Ontario with 114.31%, Atlantic Provinces 112.44%, British Columbia 109.48% and the Prairie region with 105.55%.

Final results of sales to the general public during the campaign period will not be available until the end of November. Present figures in this category show that 168,021 applications have been received for \$84,038,950.

This brings the combined total to date to 809,037 applications for \$234,291,150.

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LABOUR INCOME IN AUGUST: Estimated total of salaries and wages and supplementary labour income in August fell 0.7 per cent from the all-time monthly peak reached in July as a result of the strike of non-operating groups of railroad employees in the latter part of August. The month's total was 4.3 per cent above August last year, while the aggregate for the first eight months of the year rose 4.7 per cent.

All-Canada total for the month was \$686,000,000 as compared with \$691,000,000 in July, and \$658,000,000 in August last year, bringing the cumulative total for the eight-month period to \$5,239,000,000 as against \$5,002,000,000 in 1949.

Labour income in manufacturing totalled \$231,000,000 in August, unchanged from July, but above the August, 1949 figure of \$218,000,000. The aggregate for the eight months ending August was \$1,778,000,000 as against \$1,708,000,000 a year earlier.

* * * *

WIVES BETTER EDUCATED: Most young Canadian men marry women of approximately their own age, but older men tend to marry women much younger than themselves, according to a study of certain characteristics of Canadian husbands and wives based on a sample of the 1941 Census data by the Bureau of Statistics.

The study indicates that for 25-year-old bridegrooms, the bride is about two years younger on the average. For those 35 years old, she is six to seven years younger; for those 45 years old, eight to 10 years younger; and for bridegrooms of 60 to 64, she is 11 to 12 years younger.

Comparison of years of schooling indicate that Canadian wives are better educated on the whole than their husbands.

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NATIONAL NOTES

The Council of the Alberta College of Physicians and Surgeons has lodged a protest with Provincial Secretary C.E. Gerhart against a proposal to license all professional persons in the Province. The Council has given figures showing that in five years only five out of 547 applications have been rejected. All five were on moral grounds.

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Old age pensions, needy mothers' allowances and "other pensions" will be increased in the Province of Quebec, Premier Duplessis said last week-end in addressing the residents of the town of Jacques Cartier.

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Most Reverend George Frederick Kingston, the Primate of the Church of England in Canada, died in Toronto on November 20, aged 61. Tributes were paid by leaders of State and Church all across Canada.

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PRIME MINISTERS' CONFERENCE: The Prime Minister, Mr. St. Laurent, announced on November 22 that he has accepted an invitation of the Prime Minister of the United Kingdom to attend a meeting of the Prime Ministers of the Commonwealth in London early in January. The meeting will discuss questions of common concern, including aspects of the present international situation.

Mr. St. Laurent stated that the Prime Ministers of Australia, Ceylon, India, New Zealand and Pakistan have also accepted Mr. Attlee's invitation. Dr. Malan, the Prime Minister of South Africa, will not be able to be present but will send a member of his Cabinet to represent him. The Prime Minister of Southern Rhodesia has also accepted an invitation to attend.

In accordance with the customary practice, the meetings will be private to enable a confidential exchange of views to take place.

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ASSISTANT ADJUTANT GENERAL: Lt.-Col. E.W. Gribbill, DSO, ED, 38, of Hamilton, recently Canadian Military Attaché to Poland, has been appointed Assistant Adjutant General with the Army's Directorate of Organization.

RECORD INVESTMENT LEVEL: Private and public investment in Canada is estimated at \$3.9 billion for 1950, an increase of \$500 million over the total for 1949, and the highest level on record, according to revised figures released by the Minister of Trade and Commerce, Mr. Howe. This increase is in part due to a rise in construction and machinery and equipment costs, which for 1950 as a whole are estimated to be 7 per cent higher than in 1949. The remaining 7 per cent increase represents a rise in the volume of private and public investment.

Outlays on construction in 1950 are expected to reach \$2.4 billion, as compared with \$2.1 billion in 1949, reflecting a price increase of 8 per cent and a volume increase of 9 per cent. It is estimated that the value of machinery and equipment purchases will increase from \$1.3 billion to \$1.5 billion, a 10 per cent rise, consisting of a 6 per cent increase in price and a 4 per cent increase in volume.

This revised estimate of capital expenditure of \$3.9 billion for 1950 indicates a greater outlay by business, institutions, governments and for housing than the \$3.7 billion obtained from the mid-year survey of investment intentions. The upward revisions are in part explained by more rapid price increases than were anticipated by business firms and others canvassed before the outbreak of hostilities in Korea and in part by a small increase in volume of investment activity.

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WHOLESALE SALES RISE 5 P.C.: Wholesale sales were six per cent higher in September than in the corresponding month last year, but were five per cent below August. Increases over a year earlier were recorded in all provinces and most trades, largest advances being in automotive equipment, hardware, clothing and dry goods.

In the first nine months of this year all-Canada sales averaged five per cent above the same period of 1949. The value of inventories held at the end of the period rose almost 12 per cent over the same date a year ago.

Sales of wholesalers in Quebec advanced 12 per cent in September compared with a year earlier, in Ontario eight per cent, and British Columbia seven per cent. Smaller increases of four per cent and one per cent were recorded by wholesalers in the Maritime and Prairie Provinces, respectively.

September was the third successive month in which sales increases of automotive and equipment and hardware wholesalers have exceeded those of all other trades. Gains in these trades amounted to 16 per cent and 15 per cent, considerably above the nine-month increases of seven per cent for automotive equipment and four per cent for hardware.

Continuing the trend which has been evident for the past three months, dry goods sales rose nine per cent in September, clothing eight per cent, and footwear four per cent.

TO RELEASE SOME ATOMIC ENERGY INFORMATION

CANADA, U.K., U.S. DECISION: The Governments of the United States, the United Kingdom and Canada have adopted a revised "Declassification Guide", which will permit the publication of certain information necessary to the design, construction and operation of specified low-power nuclear reactors used for research purposes.

The action is an outgrowth of the fourth international declassification conference of February 9 - 12, 1950 at the British Atomic Energy Research Establishment, Harwell, England. This conference, which was a continuation of the wartime collaboration of the three nations, recommended revisions to the "Declassification Guide" used by the three nations to determine what atomic energy information held jointly may be published and what information is to remain classified.

PRE-PUBLICATION REVIEW

The technical information which is declassifiable under the new guide must be reviewed prior to publication, in accordance with the declassification procedures in effect in each of the three nations. Details on the design, construction and operation of the newly declassified reactors will be contained in a number of technical papers which will be published after clearance through the declassification system. Values of pertinent nuclear constants of uranium, required for work in this field, will be published in a special technical report to be issued by the atomic energy agencies of the three Governments.

The three Governments have determined that the release of information under the revised guide will speed the training of nuclear reactor engineers and technicians and will hasten atomic energy development in these countries, particularly for peacetime applications. It was determined that this information would not aid rival nations in the development of military applications of atomic energy.

The Canadian research reactor on which design and operation information will be considered for declassification is the ZEEP. This is the first reactor to operate outside the U.S. and came into action in September 1945 at Chalk River. It is made from uranium and heavy water enclosed by graphite.

The United States research reactors affected by the revised declassification policy are:

1. The world's first nuclear reactor constructed from uranium and graphite under the West Stands of the University of Chicago's Stagg Field in 1942 and subsequently dismantled.
2. A modified version of the West Stands reactor located at the Argonne National Laboratory near Chicago.
3. A uranium and heavy water reactor also located at the Argonne National Laboratory.
4. A homogeneous enriched uranium and light water reactor located at the Los Alamos Scientific Laboratory, New Mexico.

The British reactor affected by the revised declassification policy is the GLEEP, a uranium and graphite reactor located at Harwell, Berkshire.

LOW-POWER RESEARCH REACTOR

The information now releasable describes what must be known in order to assemble and operate a low-power research reactor. Before such a reactor can be built by a private institution, however, the permission of the Government is required. In Canada the Atomic Energy Control Board is charged with the regulation of all atomic energy undertakings.

The newly declassifiable information will be useful largely in advanced courses in reactor physics. For example, it will now be possible for instructors to use specific data obtained from actual experiments, instead of discussing reactor technology in general and theoretical terms.

It is not practical to use low-power research reactors for producing atomic weapons or power.

A number of technical papers on design, construction and operation of the declassifiable low-power reactors are being prepared by the individuals who have taken part in this research in the U.S., U.K. and Canada. They will appear in the scientific and technical journals in the normal fashion.

In addition, certain data on the nuclear properties of uranium having significance in the design and operation of low-power reactors also will be released through technical articles in scientific journals.

CANADA AT THE UNITED NATIONS

MR. PEARSON'S WINDSOR ADDRESS: The following is the partial text of the address given by the Secretary of State for External Affairs, Mr. Pearson, to the Windsor Chamber of Commerce and the Windsor United Nations Association, at Windsor, Ontario, on November 15:

After explaining the effect of the resolution entitled "Uniting for Peace," presented to the U.N. General Assembly, and describing it as perhaps the most important resolution of this Fifth Session, Mr. Pearson touched on the creation of the Canadian Special Force for the discharge of Canada's obligations under the U.N. Charter or under the North Atlantic Treaty, and proceeded:

"...Pessimists and cynics had said that the United Nations could not act. The encouraging news which I have tonight is that the United Nations has acted. It has acted to defeat aggression in Korea and it has acted also to organize itself in such a way that other attacks may be similarly defeated.

CAUSE FOR SATISFACTION

"In all this, there is real cause for satisfaction. But in the uncertainties of the moment, you will be as aware as I am that we have no reason for complacency. The risks remain frightening and the dangers are great. We must summon as much wisdom as we can to see that they are reduced to a minimum....

"...I believe we still must cherish the hope that, in the fullness of time, it may be possible again to negotiate with the Soviet Union, if not with cordiality, at least with frankness and with some hope of reaching mutually acceptable arrangements. We have found, however, that it is useless to negotiate with the communist imperialists unless we can lead from strength rather than weakness. We have found also that bargains struck with them under the latter circumstances are very seldom honoured. It is therefore necessary for us to see that the free world is strong, militarily, economically and socially. When that has been accomplished, it may be possible for negotiations to take place in which the words exchanged will have some reality.

"In the meantime, our task must be difficult and precarious. We cannot slacken in building up our military force. Nor can we be blind to the malice and tyranny which lies at the core of the Soviet system. Nevertheless, we must not allow ourselves to become so intent on those pressing preoccupations that we overlook any opportunities which may be presented for genuine, rather than spurious, agreement with the Soviet Union. When, with honeyed words perhaps, they make demands on us which would

call for the sacrifice either of our own liberties or of the liberties of our friends, we must reject such dangerous overtures, firmly and decisively. At the same time, however, if those liberties are not called in question, we must continue to examine every proposal that is made on its merits and to reply with words of conciliation and reason.

"That may prove troublesome. It may even involve the risk that some of our people, of less steady nerves than others, may be tempted to relax from the effort of strengthening our military forces because they may be deluded into believing that lasting security is only around the corner. I do not believe, however, that the number of such ~~swayers~~ ^{swayers} will be great. Canadians have enough stamina and intelligence to realize, I think, that we can, and we must, arm ourselves against any eventuality without, at the same time, blinking our eyes to the possibility, at least in some spheres, of agreement and conciliation. Nevertheless, the period over which we will have to behave in this way may be long and strewn with emergencies, so that we will need steady nerves and high courage if we are to be successful. We must reject both the provokers and the appeasers.

MOST CRITICAL POINTS

"During this period, we will have to watch with particular care those areas and countries which lie on a periphery of the free world and are most open to Soviet attack. The marches of the free world are obviously the most critical points. It is there that the two worlds rub together. Even when aggression is not threatened, there is bound to be a certain amount of friction and unease along these borders. I do not need to insist, I imagine, on our determination to help in defending these areas from unprovoked aggression. By now, that should be beyond question. At the same time, we must hope that those primarily responsible for safeguarding the security of such areas of the world should carry out their mission in as steady and unprovocative a way as possible. We should go about without chips on our shoulders or fire in our eyes!

"It is difficult to decide how far the fears which the Soviet Union and its satellites profess for the West are genuine and how far they are trumped up to cloak their own totalitarian designs. Mostly the latter, I suspect. But the information which reaches the Kremlin about the West comes, in so many cases, from sources tainted by the prejudices of Marxist orthodoxy that we cannot entirely rule out the possibility that some genuine fear does play a

considerable part in the formulation of the policy of the Soviet Union and its satellites. This possibility should be especially borne in mind, I think, on any occasion when it is necessary to conduct defensive military operations close to the borders of communist states. Here we should do what we can to reduce those fears to a minimum and to reassure bordering states that their legitimate interests will not be infringed. I have in mind, of course, particularly tonight the situation in North Korea, where United Nations Forces are operating very close to the borders of Manchuria and Siberia. The integrity of their frontiers are, of course, of concern to those two Governments. They are also concerned about the safety of valuable installations lying along the border. Nothing therefore should be left undone which could help to convince them that those legitimate concerns will be respected; even though in reverse circumstances we of the free world would not be shown such consideration. The motives which have prompted the Chinese communist Government in Peking to dispatch forces into North Korea are still obscure. Until we are obliged to believe otherwise, however, I would suggest that it might be wise to assume, as indeed is suggested by some of the evidence, that this incursion has been dictated by limited considerations and that it should not deflect us from our policy of trying, in every way open to us, to prevent the war from spreading.

POLICY OF GOVERNMENT

"Speaking in the House of Commons on August 31 I said: 'I would like to emphasize also that it is not the purpose of this Government to support any course of policy which will extend the scope of the present conflict in Korea; a conflict which should be confined and localized if it is in our power to do that; and, if not, a policy which should avoid giving anyone else an excuse for extending it'. That has been the policy of the Canadian Government from the outset of the war in Korea. It is still our policy today. And we have used whatever influence we have to urge these views on other governments which are involved in the hostilities in Korea.

"We have also urged - I did so when I spoke before the General Assembly of the United Nations on September 27 - that nothing should be done in the establishment of a united and free Korea which would carry the slightest menace to Korea's neighbours. Strict observance of these principles may, I am aware, in certain circumstances, complicate the immediate problems which face the United Nations' Commander

in Korea. Nevertheless I am convinced that we must be guided by them constantly as long as there is any chance of preventing the war from spreading.

"It may be that the Chinese Communists will demonstrate by their future actions that what they intend is an unlimited aggression against Korea. If unhappily that turns out to be the case, it will be necessary for the United Nations to take knowledge of the fact and to enlarge the field of action of the United Nations' Commander. The aggressor may have to be met where he comes from. The Canadian Government could hardly, however, be party to any action which has not been sanctioned by the United Nations or support within the United Nations any action to extend the field of operations unless and until it is clear that Chinese communist forces have been sent to Korea on more than a protective and border mission.

"The same desire to localize the conflict and prevent it from spreading has dictated the policy which we have followed, and will continue to follow, over Formosa. We appreciated the necessity for action which President Truman took on June 27 in ordering the United States Seventh Fleet to defend Formosa, because it seemed to provide a way of neutralizing that island during the course of the fighting in Korea. We also understood the explanatory comment which President Truman gave in his press conference on August 31 when he declared: 'Of course, it will not be necessary to keep the Seventh Fleet in the Formosan Straits if the Korean thing is settled. That is a flank protection on our part for the United Nations forces'.

QUESTION OF FORMOSA

"The question of Formosa has now been placed by the United States on the agenda of the General Assembly. We will be prepared to support in the United Nations any appropriate resolution which would authorize the continuance of this neutralization of Formosa so long as the war in Korea makes that necessary. We are in some doubt, however, as to whether any more comprehensive action by the United Nations over Formosa could usefully be taken at this time...."

The Minister concluded with a reference to the action taken by the United Nations to speed plans for technical assistance in underdeveloped countries, an approach, he said, which offered "one of the most practical and promising ways, I think, of eliminating the poverty in Asia on which Communism feeds and fattens...."

FOREIGN MANUFACTURERS ESTABLISHING IN CANADA

1,031 SINCE 1945: Nearly 200 manufacturing firms of foreign origin have been established in Canada during the last five years, 147 of these having originated in the United States, 34 in the United Kingdom and 16 in other European countries. The United States companies now employ over 10,000 persons, while those from Great Britain provide work for nearly 6,000 employees and those from other countries for 300 to 400 people. These figures were released by the Minister of Trade and Commerce, Mr. Howe, who stated that 1,031 new manufacturing firms, each employing more than ten workers, had been established in this country since 1945. All these companies are providing jobs for approximately 41,400 workers.

The new postwar firms have commenced manufacture of many items that were not in production in this country prior to 1946, outstanding examples being jet aircraft, diesel locomotives, gas turbine engines, roller bearings, a variety of automobile parts, rock drill bits and new types of electronic equipment.

More new manufacturing firms began operations in Canada in 1949 than in any other postwar year. A total of 234 were reported as having started up last year. In 1946, 224 began production compared with 203 in 1947 and 165 in 1948. In the first 10 months of 1950, another 205 manufacturing concerns are known to have commenced operations.

Although fewer Canadian companies began to operate in 1949 than in 1946, this decline in new Canadian entrants was more than offset by

an increase in the number of foreign firms being established in this country. The number of United States firms entering Canada for the first time, rose steadily from 1946 to 1949. The number of new British entrants also reached a post-war peak last year. While there is some indication that the number of new Canadian, United States, and British firms will be lower in 1950 than in 1949, more companies from other foreign countries have already been set up this year than in the 4 years between 1946 and 1949.

In the postwar period, the average size of new Canadian firms has been smaller than that of new entrants from the United States or Great Britain. At the present time, these new Canadian companies employ an average of 30 people. United States firms average 71, those from Great Britain 172, and those from other countries 21. The employment impact of Canadian-owned firms has been greatest in fish packing plants, sawmills and clothing manufacturing establishments. The manufacture of leather products, furniture and other wood products, and light machinery and equipment has also been relatively important as far as Canadian companies are concerned. New firms from the United States have tended to concentrate on the production of motor vehicles and parts, electrical apparatus, converted paper products, and chemicals, whereas new entrants from the United Kingdom have provided the greatest number of jobs in industries manufacturing aircraft, electronic equipment, and building materials.

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CONSIDER ALL-CANADIAN SEAWAY (Cont'd. from p.1)

He spoke as follows of interests opposing the project:

"Powerful interests in the United States oppose the project. First, there is a group of fitters and owners of ships of less than twelve-foot draft who see in the development of the St. Lawrence a danger to the New York State barge canal now competing with the present all water route from the Head of the Lakes to Montreal. Then there are the American Railways running between the Great Lakes and the Port of New York and competing against the New York State canal route for the transportation of merchandise to such an extent that their rates, at certain times of the year, are reduced by half. A third group operate a fleet of barges in competition with the American Railways and consider that the development of the St. Lawrence would go a long way towards putting them out of business even though they are generously subsidized by the American Government.

"These and other interests represent various enterprises engaged in competition against

each other but in full agreement in standing together to oppose the St. Lawrence Waterway project."

On the question of whether Canada could proceed independently of the United States in the completion of the Seaway, Mr. Chevrier said:

"Failing ratification by the U.S. Congress of the 1941 Agreement in either its present or in a mutually agreed modified form, it would then be possible for the International Joint Commission to consider an application of New York State and the Province of Ontario for permission to develop power alone on a joint basis in the International Rapids Section. Such an application has already been made to the Governments of the two countries but has not yet been referred to the International Joint Commission. Other than the 1941 Agreement between Canada and the United States, there is no obstacle to prevent Canada from undertaking the construction of works necessary for 27-foot navigation between Montreal and Kingston wholly on the Canadian side of the boundary...."



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WEEK'S EVENTS IN REVIEW

CANADIAN ARMY SPECIAL FORCE: The move to Fort Lewis, Washington, of the Canadian Army Special Force (Canada's contribution to United Nations forces) now under way is the largest peacetime movement of troops in Canadian history. Twenty-two troop trains will be required to move the 11,000 man force to the U.S. West Coast training base.

Formed only three months ago, the Special Force is built around a three battalion infantry brigade with full reinforcements and the necessary service and support elements. The three infantry units will be 2nd battalions of the three crack infantry battalions of the active army, namely The Princess Patricia's Canadian Light Infantry, the Royal Canadian Regiment and the Royal 22nd Regt.

Now concentrating in Fort Lewis, Washington, present plans call for the Special Force, less the 2nd battalion PPCLI, to train there for the next few months and to shake down into a real fighting force and be available for active service wherever the Government may decide to send them for duty under the UN flag or the North Atlantic Treaty Organization.

The 2nd battalion PPCLI with small supporting elements will sail for Korea, about the end of November.

The PPCLI will sail for Korea under command of Lt.-Col. J.R. Stone, DSO, MC, whose leadership of the Loyal Edmonton Regiment during the Second World War earned him an enviable reputation as a fighting commander.

In anticipation of the severe Korean winter the Patricia's will be completely outfitted with winter clothes including parkas, wind-proof trousers, winter caps and underwear, cold weather boots with leather tops and rubber bottoms.

This clothing has been designed by the Canadian Army during the past few years and has been thoroughly tested under the severe arctic conditions of the Canadian north and on the large joint U.S.-Canadian exercise Sweetbriar in Yukon and Alaska last February.

An advance party of about 300 officers and men of the Special Force is already in Korea and is making preparations for the arrival of the PPCLI.

The organization, equipment and training of the force has been so designed as to prepare them to fight under either British or United States command.

It has already been announced that the troops will use the famous 3.5" tank-busting American bazooka.

Other senior commanders in the CASF are Lt.-Col. R.A. Keane, DSO, who will command the 2nd battalion Royal Canadian Regiment. He commanded the Lake Superior Regiment during the last war.

Lt.-Col. J.A. Dextraze, DSO, who led Les Fusiliers Mont Royal during the closing months of the war now commands the 2nd battalion of the Royal 22nd Regiment.

CITIZENSHIP ACT AMENDMENT: Canadians who contemplate the acquisition, while in Canada, of the nationality or citizenship of a foreign country, by any voluntary or formal act other than marriage, should bear in mind that by taking this step they become liable to the loss of their Canadian citizenship. The Minister of Citizenship and Immigration, Mr. Harris, stated on November 9.

Explaining the significance of one of the important amendments to the Canadian Citizenship Act which went into effect in July of this year, the Minister pointed out that a Canadian could now be deprived of his Canadian citizenship if he voluntarily acquires the nationality or citizenship of a foreign country, whether he takes such action in or outside of, Canada.

Prior to the passing of the amendment, a Canadian was liable to the loss of his Canadian citizenship only if he voluntarily acquired the citizenship of a foreign country while outside of Canada. The new amendment empowers the Governor in Council at his discretion to institute revocation proceedings, at the request of the Minister of Citizenship and Immigration, if such action takes place in Canada.

Formerly a Canadian citizen born in a foreign country could, while in Canada, voluntarily regain the citizenship of the country of his birth and yet retain his Canadian citizenship, thus having in effect dual citizenship. Such action usually meant that the applicant swore an oath of allegiance to the foreign country and renounced his allegiance to Canada. It was not felt desirable that persons taking this step by a voluntary and formal act should be permitted to retain the rights and privileges of Canadian citizenship.

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DEFENCE ORDERS EMPLOYMENT FACTOR: With the end of harvesting in most sections of the country, and the release of men from agriculture, registrations at National Employment Service offices began the usual seasonal increase in the first weeks of October, the Minister of Labour, Mr. Gregg, announced on November 9. This increase occurred a month later than last year, and so far, registrations are rising at a much slower rate than in 1949. By October 19, there were 136,600 registrations on hand, at local employment offices, 3,500 above the total on September 28, the low point for the year, but 20,000 below the figure on the corresponding date in October, 1949. Last year, registrations in the early part of October increased by 13,700.

The improvement in the employment situation over that of last year reflected in these figures is largely the result of increased labour requirements of the logging industry, and the strong demand for workers in heavy manufacturing industries and base metal mining. The favourable markets for newsprint in

Canada and the United States, the accelerated defence programme, and the increase in consumer demand for many goods and services, are the main factors responsible for the larger number of job openings this year.

The log cut of pulp and paper companies in eastern Canada is much larger this season than last, and the demand for woodworkers is especially heavy in the Head of the Lakes district, in Quebec and Newfoundland. In that Province, new United Kingdom orders for newsprint have resulted in a very considerable increase in employment in the woods. The gradual release of workers from agriculture will help to relieve the existing shortage of loggers in many sections, as men who have been employed on the farms seek fall and winter work in the woods.

The growing number of defence orders, combined with a continuing strong demand for producers' and consumer durable goods have meant increased demand for workers in manufacturing industries, especially for machinists, welders, and others with experience in the metal trades. Base metal mining also continues to feel the effects of the stepped-up defence programme, and in some districts experienced metal miners are in short supply.

Employment in the construction industry in most sections of the country was at its seasonal peak during the first part of October. There is a continued shortage of skilled construction tradesmen in many areas, and in some centres in eastern Canada there has also been a shortage of suitable unskilled construction workers.

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FAVOUR FIRM PRICE BIDS: The Canadian Commercial Corporation has been instructed to adhere to the established general policy of giving preference to firm price bids when placing orders for requirements of the Department of National Defence, the Minister of Trade and Commerce, Mr. Howe, announced on November 8.

"In recent weeks there has been a tendency among some manufacturers and suppliers bidding on defence orders to include an escalator clause in their tenders", Mr. Howe said. "Maintenance of the Crown Company's firm price policy means that companies submitting escalator clauses are liable to find their bids in an unfavourable position.

"As one of the largest purchasing agencies in the country, I feel it is important that the Canadian Commercial Corporation should extend preference to companies co-operating in quoting firm prices, as this is a major means of fighting inflationary trends."

Mr. Howe pointed out that escalator clauses passed the main risk of cost rises to the purchaser and thus reduced the manufacturers' and suppliers' incentive to resist cost increases. Manufacturers, in the opinion of Mr. Howe, were in the best position to calculate

possible cost rises for their own products and it was, therefore, important that every effort be made at the manufacturers' level to quote firm prices. This would assist suppliers and contractors in establishing firm prices.

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ADVERTISING EXPENDITURES RISE: Advertising expenditures of Canadian business houses handled by advertising agencies have risen steadily and substantially in recent years with the percentage distribution of billings among principal media showing only minor changes, according to figures released by the Bureau of Statistics.

Advertising agencies handled advertising and provided other services to the extent of \$86,742,500 in 1949 as compared with \$73,762,200 in 1948, and \$64,594,700 in 1947. The 1949 total rose 18 per cent over 1948, while increases for the two previous years were 14 per cent (1948 over 1947) and 24 per cent (1947 over 1946).

Billings for advertising in 1949 aggregated \$86,451,000 as compared with \$73,543,800 in 1948, and \$64,422,800 in 1947. Billings for market surveys and other services, not considered advertising, constituted a small but increasing proportion of total billings. In 1949, these services accounted for \$291,500 as compared with \$218,400 in 1948, and \$171,900 in 1947.

The number of advertising agencies in Canada in 1949 was 74, one less than in 1948; but seven more than in 1947. These concerns had gross revenues of \$13,526,300 in 1949, as against \$11,553,500 in 1948, and \$10,091,800 in 1947, forming practically the same percentage of total billings in each of the three years. Net revenues in 1949 were \$1,948,500 against \$1,370,400 in 1948, and \$1,462,800 in 1947.

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ARCTIC SERVICING OF AIRLIFT: Anchorage, Alaska, November 14 -- At Elmendorf Field, Anchorage, Alaska, a band of 18 RCAF airmen are fighting a running battle against low temperatures, high prices, and a 24-hour day, helping to keep the big four-engine North Stars of 426 RCAF Squadron flying on the Pacific airlift.

The airmen make up the servicing crew for the RCAF transports which put down in Alaska from Japan or the US, and they provide--at all hours and in any weather--the in-route service for the big North Stars.

Flight Sergeant J.H. (Joe) Oldham of Vancouver and Big River, Saskatchewan, is in charge of the detachment, and it is his job to be out with his men when ever one of the RCAF planes sweeps in off the Pacific or drops down over the mountains from McChord Field, Tacoma, the western terminus of the run.

When that happens a ramp is run beside

the fuselage door and out pour the plane's passengers and crew. for a cup of coffee and a quick meal. The detachment boys swarm over the North Star, checking to see that everything is in perfect order for the remainder of the flight. They represent all the trades necessary to service the North Stars as they go through, and almost before the propellers have stopped they are busy checking radios, electrical circuits, engines, instruments and fuel.

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SPECIAL SERVICE SQUADRON RETURNING: On Board H.M.C.S. Magnificent, at Sea, November 14 -- After more than two months in European waters, the Canadian Special Service Squadron is homeward bound today.

The Magnificent and the destroyers Huron and Mimac are due to arrive in Bermuda November 20. After three days there they head for Halifax, arriving on the morning of November 26.

The squadron wound up its European cruise with a series of combined exercises off Gibraltar with British and Netherlands naval units. The Magnificent and the British carrier H.M.S. Vengeance carried out air defence practices; night encounter exercises tested plotting and gunnery crews, and ships and aircraft engaged in a mock duel with two Dutch and one British submarine.

Rear-Admiral E.R. Mainguy, Flag Officer commanding the Canadian squadron, described the exercises as highly successful.

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POPULATION NEARS 14,000,000: Canada's population was only 79,000 short of the 14,000,000-mark on September 1 this year, according to estimates released on November 7 by the Bureau of Statistics. The September estimate for the 10 Provinces was placed at 13,921,000, a gain of 76,000 over the June 1 figure, and a rise of 285,000 in the last 12 months.

On the basis of the average rate of increase in the Bureau's estimates since September a year ago, Canada's population should approximate 14,000,000 by the end of this year.

Earlier estimates of the population follow: June 1, 1949, 13,549,000; September 1, 1949, 13,636,000; December 1, 1949, 13,707,000; March 1, 1950, 13,766,000; and June 1, 1950, 13,845,000.

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REHABILITATION CONFERENCE: The first national conference on problems of physically handicapped Canadians, which was postponed last May because of the Manitoba floods, will be held in Ottawa early in February, 1951, it was announced on November 9 by the Minister of Labour, Mr. Gregg. The Minister explained that the conference was under the joint sponsorship of the Departments of Labour, Health and Welfare and Veterans Affairs.

CANADA AT THE UNITED NATIONS

ON DUTIES OF STATES IN EVENT OF WAR: The following is the partial text of the statement by the Secretary of State for External Affairs, Mr. Pearson, Chairman of the Canadian Delegation, in the First Committee of the UN General Assembly, on November 7, on the question of duties of states in the event of the outbreak of hostilities:

"...As international Affairs become more complex, there is a temptation to seek refuge from the continual acts of judgment which complicated and dangerous situations demand and to substitute for them automatic provisions which will render separate judgments unnecessary. This tendency is seen, I think, in extreme form in the Soviet resolution which attempts by way of two schedules of minute particularity to set up automatic criteria for determining the aggressor in any international conflict. The previous attempts of this kind which have been made have been so protracted and inconclusive, notably in the discussions at Geneva over the Geneva Protocol, as was well pointed out by the Delegate of Colombia, that the Canadian Delegation are sceptical whether such automatic action can ever be successfully achieved and in a way to satisfy the demands of justice....

UNSATISFACTORY EXPERIENCE

"As a result then of unsatisfactory experience in the past in attempting to define aggression and also as a result of the results of either a ludicrous or at least unhelpful character which are obtained if the criteria included in the Soviet resolution are applied to recent acts of aggression, the Canadian Delegation are more than doubtful of the wisdom of this method of approach to what is admittedly a serious and unsolved problem. We are inclined rather to place our trust in determination and judgment applied through United Nations in each case that arises and the principles of the Charter. This is one of the reasons that we have supported so strongly the resolution on 'Uniting for Peace'. One of the foremost bulwarks for states threatened by aggression in our view would be the presence within their boundaries of representatives of the newly established United Nations Peace Observation Commission who would be able with their own eyes to observe acts of aggression and report their findings to the Security Council or the General Assembly.

"There is another serious omission in the Soviet resolution. This omission is possibly a consequence of the fact that the Soviet resolution is obviously a re-issue of a document put before the League of Nations many years ago. The U. S. S. R. resolution takes no account of the United Nations and of its role in maintaining peace and restraining aggression, especially Article 42 which provides for

sea, air and land enforcement action. As it stands, the U. S. S. R. resolution would make it illegal for a member of the United Nations to take any of the enforcement measures which it might be expected to take as a result of action by the Security Council. This may, of course, be a mere oversight in the drafting of the U. S. S. R. resolution. It is, however, further evidence of the fact that this resolution has been presented without adequate reference to the practical situation which exists in the world of 1950....

"There is a further and even more important reason why we are sceptical of the value of attempting to define precisely aggression before it occurs. Modern war is so various and complicated that a list of aggressive measures which are specified and forbidden might merely lead an intending aggressor, as the French Delegate pointed out so skilfully, to concoct a mode of aggression which would fall outside these prohibited measures. Then, ipso facto, he becomes technically innocent, though in every other respect guilty.

RESOLUTION OF YUGOSLAVIA

"Nevertheless, we sympathize profoundly with the wish of states which feel themselves threatened to bolt as many gates against a possible aggression as they can. For this reason we have looked with sympathy at the resolution which has been submitted by the Delegation of Yugoslavia. At one point it, too, attempts to set up an automatic criteria for determining the aggressor. For the reasons which I have mentioned already we are doubtful of the wisdom of this paragraph in the Yugoslav resolution. On the other hand, we can see merit in the attempt contained in the earlier part of the Yugoslav resolution to establish a procedure by which an act of aggression could be brought, with the least possible delay, to the attention and conscience of the world. The provisions whereby both states engaged in hostilities should be obliged to make a public statement proclaiming their readiness to issue a 'cease-fire' might tighten the mesh which we have been endeavouring to close around any would-be aggressor.

"As this part of the resolution stands at present, I am not sure whether we would find it entirely acceptable. It places, as has been noticed, the attacking country and the country which has been attacked on the same footing. It would seem to us to be necessary, as I have said, to allow the United Nations to determine who is the aggressor and then to give rather more latitude than would be allowed in this resolution to the authorities of the countries attacked to conduct their defence in as effective a way as possible without being unduly hampered by automatic provisions in order to resist the attack successfully. In our view,

however, the requisite freedom of action might be secured for a country subject to attack by amendment to the Yugoslav resolution, which, as I have said, seems to us to be in its basic principles soundly conceived."

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ON PALESTINE REFUGEES: The following is an excerpt from the statement on Palestine refugees by Mr. Hugues Lapointe, Representative of Canada in the ad hoc Political Committee of the UN General Assembly, on November 7:

"...The Canadian Government is anxious to see a final and permanent solution to this problem. It has viewed with deep sympathy the conditions of privation and physical hardship which the refugees have been called upon to endure for almost three years now, and has contributed to such programmes as were adopted for the purpose of alleviating the plight of the refugees. The Canadian Government would be prepared to consider the extension of further assistance to those who have been displaced from their former homes, on the distinct understanding, however, that such assistance would be designed to facilitate the final transition of the refugees from their present status to permanent reintegration, whether this be achieved by resettlement or by repatriation to the territory in which their former homes were located.

SUPPORT IN PRINCIPLE

"The Canadian Delegation supports, in principle, the recommendations made to the General Assembly by the Director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East. These recommendations appear to us to be sound and practicable, and we are pleased to note that they have been substantially embodied in the draft resolution which the distinguished Delegate of the United States has submitted to this Committee in behalf of the joint sponsors.

"My Delegation notes with particular satisfaction that the joint draft resolution envisages the permanent re-establishment of the refugees and their consequent removal from relief. Members of this Committee will recall that paragraph 5 of Resolution 302 of December 8, 1949, stipulates that 'constructive measures should be undertaken at an early date with a view to the termination of international assistance for relief'. Under paragraph 6 of the same resolution it was envisaged that direct relief should be terminated not later than December 31, 1950, unless otherwise determined by the General Assembly at its Fifth Regular Session.

"While the Canadian Delegation agrees with the Director of the Relief and Works Agency and with previous speakers in this debate that the date of December 31, 1950, is no longer a feasible one for the termination of international assistance for direct relief, we should like to be reassured that any further

contributions made to the relief and works programme will be utilized toward a permanent reintegration of the refugees, and will not be regarded as merely in the nature of stop-gap assistance to be repeated perennially without any prospect of a final and satisfactory solution to the refugee problem in the Near East....

"My Delegation would recall to the members of this Committee that paragraph 13 of the General Assembly resolution of December 8, 1949, urged all the member governments of the United Nations to make voluntary contributions in funds or in kind to ensure that the amount of supplies and funds required -- a total of \$54,900,000 -- is obtained for each period of the relief and works programme. The Canadian Delegation has viewed with grave disappointment the response of member states to this appeal and expresses the firm hope that now that a prolongation of the programme is anticipated, the financial responsibilities entailed by the continuation of the programme will be distributed on a more equitable basis than has hitherto been the case."

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COST-OF-LIVING INDEXES: Cost-of-living indexes for six of the eight regional cities moved higher between September 1 and October 2, while indexes for two centres moved lower. Sharp seasonal changes in foods were mainly responsible for the divergent movements. Declines were noted for meats and fresh vegetables, while eggs registered sharp increases. Dairy products were higher for most centres also. Among other groups, clothing and home-furnishings and services advanced, while fuel and lighting and miscellaneous items were unchanged to fractionally higher. There was no rentals survey in October, and indexes for this series continued unchanged.

Composite city index increases between September 1 and October 2 were as follows: Saint John, 1.8 to 167.8; Winnipeg, 1.1 to 165.4; Toronto, 0.7 to 166.8; Montreal, 0.4 to 175.1; Saskatoon, 0.4 to 168.2; Vancouver, 0.1 to 170.9. The cost-of-living index for Halifax declined one point to 159.3, and Edmonton 0.5 to 164.5. In the same period, the national index advanced 0.8 to 169.3.

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WHEAT MARKETINGS: Deliveries of wheat from farms in the Prairie Provinces during the week ended October 26 were up sharply from a year ago, but overseas export clearances moved in lower volume. Stocks in store and in transit in North America were at a higher level.

The amount of wheat delivered from Prairie farms during the week was 9,282,832 bushels as against 6,497,062 a year ago, and the export clearances totalled 2,605,168 bushels against 4,189,487. Visible supplies amounted to 191,906,489 bushels compared with 179,080,469 a year earlier.

"THE EVOLVING POLICY OF THE UNITED NATIONS"

GEN. MCNAUGHTON'S ADDRESS: The following is an excerpt from the address given at Macdonald College, McGill University, on November 9, by Gen. A.G.L. McNaughton, Canadian Chairman of the Canada-U.S. Joint Defence Board, entitled, "The Canadian Policy of the United Nations":

"In displaying its power to rally the free world in resistance to a premeditated attack launched without warning the United Nations has restored the hopes and confidence of people everywhere who otherwise might not unreasonably have given way to despair in the face of the mounting powers of the Soviet Union and their declared intent to try to overrun the world, eventually.

"It is because we have learned that aggression must and can be resisted collectively, and because we know that the United Nations provides the only available means for organizing defence against it on a world-wide scale, that we have associated ourselves with United Nations action in Korea. It is within the framework of this knowledge that we must examine the capacity of the United Nations to act in the future as a deterrent to those recurrences of aggression which unfortunately it is all too evident we must continue to expect in the circumstances of the ideological aggression which is the continuing central purpose of Soviet policy.

UNITED ACTION FOR PEACE

"As you undoubtedly know the General Assembly during the past few weeks has discussed and adopted - under the title 'United Action for Peace' - a plan for strengthening the capacity of the United Nations to deal with future cases in which there may be a threat to the peace, a breach of the peace, or an act of aggression. This plan, which was put forward by the United States Delegation and which was outlined to the Assembly by the Secretary of State, Mr. Acheson, is a constitutional development of far-reaching promise for the United Nations and for the world at large. I do not assert that in itself this development is any complete guarantee against a repetition of the Korean situation, for the success of any plan depends on the will and the energy of those who will be responsible for carrying it out in particular circumstances. I do say that if this plan is pursued in good faith, it promises to provide the means for effective collective action on a world wide scale. It is for this reason, that from the outset the plan has commanded the respect and the active support of the Canadian Delegation which, indeed, has acted as one of its seven sponsors....

"The plan is founded on the premise that if the Security Council fails to act against aggression - if, in other words, the Security Council is prevented from performing its pro-

per functions-- the General Assembly can go ahead and make its own recommendations which will be implemented by special means created in advance by the Assembly.

"In this connection there are four positive provisions.

- "1. To establish a body to be known as a Peace Observation Commission for the years 1951 and 1952 with the duty to proceed immediately to areas where international tension threatens and to investigate acts or threats of aggression, and to report thereon to the Security Council, the General Assembly or the Interim Committee as may be appropriate.
- "2. To develop the rules of procedure of the Assembly to permit the calling of emergency sessions on twenty-four hours notice on the vote of any seven members of the Security Council, or on the request of the majority of the members of the United Nations.
- "3. To ask member states to set aside armed units equipped and trained to be ready to answer the call of the Security Council or the General Assembly - very much on the model of the Canadian Army Special Force.
- "4. To create a Collective Measures Committee to report to the Security Council and the General Assembly on the mechanics of co-operative action to keep the peace.

"This resolution is definitely a reaction to the aggression committed by North Korean forces last June. It stems from a realization that the democratic nations of the world must not delude themselves into imagining that there has been any lessening of the sinister ambitions which intoxicate the Politburo and mesmerize the Soviets. On the contrary, the democratic nations must prepare while yet they may to check this madness, should it break forth in war....

"I think it is important to remember that the action taken by the United Nations in Korea and its successful results to date was made possible only by a combination of circumstances which could hardly be expected to recur. Not the least of these favourable circumstances was the profound miscalculation by the Soviet Politburo as to the speed with which their North Korean puppets could bring the invasion of South Korea to a conclusion. This they quite wrongly anticipated could be achieved before the military reaction of the United States could be effective and before world public opinion would be dangerously aroused. Also in this case it is now evident, although by no means certain when the invasion was launched, that the Soviet at this time is fearful of becoming directly involved in a

general war.

"by the decisions of the Security Council in June and July, new life has been infused in the United Nations - a new pride and a new prestige has been conferred upon it which are everywhere recognized in the free world, and it is important that this should be so as we enter the even more difficult phases of widening action and reaction in Korea...."

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INVESTIGATION OF AIR CRASH: The Minister of Transport, Mr. Chevrier, on November 14, issued the following statement in connection with the crash of a Canadian aircraft on October 13 in France in which 56 Canadians lost their lives.

"Canada will be represented at the official investigation of the tragic accident which took place yesterday of a Canadian transport aircraft in the French Alps. Inspector J.P. Fournier, Montreal, is proceeding this afternoon via TCA. Mr. Fournier will represent the Department of Transport (Air) and assist in the preliminary investigation.

"The aircraft was operated by Curtiss-Reid Flying Service of Montreal, a company which is licensed to perform non-scheduled charter service and which has been engaged during the present year on non-scheduled operations across the north Atlantic. The plane, a DC4 Skymaster had been certified as airworthy according to Canadian requirements. The flight crew were fully competent and qualified personnel.

"Speculation as to the cause of the accident is of little value prior to the official investigation although it is known that the plane was operating at the time in an area of extremely bad weather.

"Since the accident took place on French territory the formal investigation will be held by the French Government under French law.

"My most sincere sympathy and that of my colleagues in the Government is extended to the families of the deceased in this time of sorrow".

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COMMERCIAL ACCORD WITH ECUADOR: The Minister of Trade and Commerce, Mr. Howe, has announced that a commercial modus vivendi between Canada and Ecuador was signed November 10 at Quito by the Canadian Delegation at present visiting a number of Latin American countries.

This agreement is to be valid for one year from December 1, 1950, and is renewable automatically from year to year. As in the previous agreement, which terminated in June 1949, Canada undertakes to accord to Ecuador most-favoured-nation treatment and is entitled to receive most-favoured-nation treatment from Ecuador. This will apply in all matters respecting customs duties and charges, as well as

in all matters relative to the granting of exchange and the allocation of import quotas for commercial transactions.

As a result of this agreement, therefore, Canadian goods imported into Ecuador will be subject to the same customs duties and other charges which are levied on goods from other countries, such as the United States.

Any tariff concessions that either Canada or Ecuador may grant in the future to a third country, will automatically be extended to the other. For example, although Ecuador is not a party to the General Agreement on Tariffs and Trade, any tariff reductions that Canada may grant as a result of the G.A.T.T. negotiations, now in progress at Torquay, will apply equally to Ecuador.

Mr. Howe pointed out that, among the Canadian goods that will now benefit from the 30 per cent discount in import duties granted by Ecuador on many items of the tariff are: canned salmon and canned sardines, sewing machines, rubber tires, radio sets, clocks and wrapping paper. Other goods, which were already subject to general tariff duties no higher than the most-favoured-nation rates, will benefit by the guarantee that no duties may now be levied on them in excess of the most-favoured-nation rates. Products of Ecuador available for sale in Canada are: bananas, pineapples, green coffee, cocoa beans, Panama hats, balsa wood, kapok, vegetable ivory nuts, shark-liver oil, vegetable oils, peppers and handicraft items.

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IMPROVED AIRCRAFT SKIS: Development of improved types of aircraft skis is a problem of considerable importance in Canada, and work in this direction undertaken at the National Research Council has met with noteworthy success, the Council has announced.

Sliding resistance of aircraft skis on snow is often so great that it is impossible to reach flying speed. At other times when the skis have remained stationary for even a few seconds, they adhere to the snow to such an extent that drastic methods have to be used in order to break them free. The object of the NRC tests has been to determine what changes in ski design should be made to reduce both their sliding resistance and adhesion.

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HONG KONG MEMORIAL SERVICE: Officers and men of the destroyers Cayuga and Athabaskan and members of the Canadian colony in Hong Kong held a Remembrance Day memorial service at Saiwan military cemetery, 14 miles from the heart of the city, in honour of Canadian soldiers who lost their lives in the defence of Hong Kong in December, 1941.

URGES POLICY OF REDUCING SPENDABLE INCOMES

MR. GRAHAM TOWERS' ADDRESS: The following is the partial text of the address by Mr. Graham Towers, Governor of the Bank of Canada, to the Empire Club of Canada and the Canadian Club of Toronto in Toronto, on November 9:

"Earlier in my remarks I expressed rather cheerful views about Canada's progress in recent years. One of the major factors easing the problems of this post-war period has been the great scale of capital development going on, both here and in the United States. But quite apart from this effect, I think we have cause to be very thankful that North America has added so much to its capital equipment in the last five years. Not all of the things which have been done were essential from the point of view of strengthening the fundamental position of the economy, but a very great deal has been done of a character which will help us in the testing times which lie ahead.

EFFECT OF COLD WAR

"...If the present Cold War had not followed so closely on the heels of World War II, recovery abroad would have been quicker and less dependent on North America; individuals and businesses who wished to use their accumulated liquid assets to make deferred expenditures would have experienced less competition in bidding for the resources they wanted. However, there is no way of telling now what the price level would have been if real peace had been achieved. Post-war fiscal and monetary policy have, of course, been directed towards lessening the impact of the liquid assets created during the war and in Canada budgetary surpluses contributed to this objective.

"By the end of 1949 it seemed that the western world at least had worked its way through to a fair measure of recovery and stability. Today the need for a large re-armament programme, made evident by events in Korea but far transcending the particular requirements of the Korean War, seems to threaten to upset the degree of stability which had been achieved. In every country, the problem of maintaining the purchasing power of currencies is again causing concern as re-armament expenditures on a large scale are being undertaken or discussed. I saw evidences of that concern on the part of many countries at the recent meeting of the International

Bank and Monetary Fund in Paris. No one is fortunate enough to possess a blueprint of the course of events, but I think that the very lively recognition of the dangers of the situation which exists all round the world is a good thing, provided it leads to appropriate action and provided that the fear element is not overstressed.

"It has to be assumed - or so I should suppose - that the re-armament and defence problem is going to form part of the life of the free countries of the world for a long time to come. In the economic field, that calls for policies whose effect is likely to endure, rather than for stop-gap methods. Above all, it calls for pay as you go financing, and for maximum productivity. The task is by no means impossible, if the requisite understanding and determination are forthcoming.

DEFENCE SPENDING

"It is sometimes too readily assumed that large scale defence spending, by its mere existence, automatically means inflation, but if an increase in defence spending is matched by a decrease in other spending - private as well as governmental, and spending for consumption as well as business spending - there need be no fundamental domestic reason for an upward pressure on prices generally. It would still be possible for consumers and businesses, under the mistaken impression that the experience of the last war was going to be repeated, to rush out and try to spend a larger than normal proportion of their incomes.

"Specific credit controls and a strong monetary policy are appropriate and necessary weapons of self-defence for the community against such actions. But the fundamental policy clearly must be the fiscal one of reducing spendable incomes, by increased taxes, to the extent that the available supply of goods is being reduced by the demands of the defence programme. And so long as re-armament expenditures go on increasing, I believe that Government revenues should anticipate the future level of requirements rather than merely try to keep pace with current requirements. Anticipations of future developments might induce larger current spending by various groups, if not offset by larger current discouragement of such spending."

BUSINESS

Retail sales in Canada showed a marked gain of nine per cent in September over the corresponding month last year, gains being registered by 18 of the 20 trades and all Provinces except Saskatchewan. This was the second consecutive month in which results indicated overall strength in consumer demand. In the first nine months of the year the overall sales advance was 6.2 per cent.

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The nine-day strike of non-operating railway employees on most Canadian lines from August 22 to August 30, inclusive, resulted in greatly reduced operating revenues and expenses as compared with August, 1949. Revenues in August fell to \$64,864,106 from \$76,865,287, and expenses were down to \$56,405,075 from \$70,676,932. Operating income rose in the month to \$4,592,640 from \$1,263,748.

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Carloadings on principal Canadian railways during the week ended November 4 amounted to 88,532 cars, a rise of 4,894 cars or 5.9 per cent over the same week last year. The week's aggregate was the third highest on record for the period, exceeded only by 1947 and 1928 when grain was moved in much heavier volume.

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Canadian manufacturers produced more household electric refrigerators in August than in the corresponding month last year. Output for household use -- excluding apartment type machines -- totalled 26,474 units as compared with 15,327 in August last year.

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UNEMPLOYMENT INSURANCE CHANGES: The Minister of Labour, Mr. Gregg, announced on November 14 certain changes in the regulations of the Unemployment Insurance Commission with regard to benefit claims from workers in seasonal industries.

These changes, which will be effective November 15, modify the regulations which have been in effect since 1946 governing the payment of unemployment insurance benefits during the off-season for workers employed in certain industries of a highly seasonal character.

The industries declared by the Commission to be seasonal for purposes of these regulations are lumbering and logging (except in British Columbia), inland water transportation, and stevedoring at inland ports and at Saint John, N.B. and Halifax.

The changes simplify the regulations and remove some anomalies. The general effect is to ease the restrictions upon seasonal workers who wish to qualify for benefit in the off-season when unable to get work, while preventing a drain on the unemployment insurance fund through unwarranted claims from those who do not normally seek work in the off-season.

EMPLOYMENT AT NEW PEAK: Employment in principal non-agricultural industries in Canada showed a further rise at the beginning of September, and the Bureau of Statistics index number, on the base 1926=100, advanced to a new peak of 206.0, as against 204.4 at the beginning of August, and 202.1 a year earlier. There were general though moderate advances in employment in the Provinces and in a number of cities, including Montreal, Toronto and Vancouver.

While employment was higher at the first of September, the loss in working time during the railway strike in August caused a reduction of 1.5 per cent in total disbursements by leading establishments in weekly wages and salaries at September 1 for services rendered by the men and women on their staffs in the last pay period in August. Widely distributed declines in payrolls were recorded, geographically and industrially, in spite of general expanding employment. In contrast with the general decline, increases on the whole in payrolls were reported in manufacturing, logging and trade.

Per capita weekly earnings in the last pay period in August were \$44.26 as compared with \$45.26 a month earlier, and \$43.26 a year earlier. The decline from the previous month was entirely due to curtailment of working time occasioned by the industrial dispute on the railways, which directly or indirectly affected many industrial groups and most areas in the latter part of August.

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FARM PRICES SLIGHTLY LOWER: Farm prices of agricultural products were slightly lower in September, the Bureau of Statistics index number falling two per cent from August this year and September last year. The September index, on the base 1935-39=100, stood at 246.7 as compared with 251.8 for August, and 251.2 for September, 1949.

The decline in the index from August was largely attributable to lower grain prices, particularly in the Prairie Provinces where severe frosts in August and to a lesser extent, adverse harvesting condition, have substantially lowered the average grade of the wheat crop. Offsetting this price decline to some extent were the slightly higher prices for livestock and the seasonally higher prices for eggs.

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"THE MINING LAWS OF CANADA": The legal ABC's of prospecting and mining in Canada are presented in digest form by the Department of Mines and Technical Surveys in a recent publication, "The Mining Laws of Canada". The report which was prepared by Arthur Buisson of the Mines Branch, was issued to meet the demand in Canada and abroad for an up-to-date and ready source of information on the various federal and provincial laws and regulations affecting mining across Canada.

VERMICULITE DISCOVERY: The discovery of vermiculite over a large area at Stanleyville near Perth, Ontario, was announced on November 15 by the federal Minister of Mines and Technical Surveys, Dr. McCann. The existence of the mineral was brought to light in the course of field investigations by C.G. Bruce of the Industrial Minerals Division acting on information supplied by Arthur W. Powers of Stanleyville.

Vermiculite is a hydrated form of mica which possesses the unusual property of expanding to many times its original volume when heated to around 2000°F. It is used as a thermal insulating and sound-proofing material in buildings, refrigerators, ships, aeroplanes and vehicles and is incorporated into concrete mortars and plasters to give light-weight products. It is also used as an extender and pigment in paints and has many other applications. During World War II, vermiculite was used as a fire-proof protective coating for the decks of ships and roofs of buildings against attack by incendiary bombs.

Vermiculite has not hitherto been available in economic quantity from any deposit in Canada but is imported from South Africa and the United States. Preliminary expansion tests made in the laboratories of the Industrial Minerals Division on the vermiculite from the deposit at Stanleyville indicate that a product of high quality can be made from it and further work is planned.

The mineral varies in grade from place to place over a large area and considerable development work will be necessary before the full potentialities are known. However, it can be said that with this discovery a valuable addition has been made to Canada's known resources of industrial minerals.

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ICAO MONTREAL SESSION: Modernization of the world's rules of the air, including changes made necessary by the appearance of jet and helicopter aircraft, is the main objective of the fourth session of the International Civil Aviation Organization's Rules of the Air and Air Traffic Control Division, which is now meeting at ICAO headquarters in Montreal.

The Division is also attempting to work out air traffic control methods to increase the capacity of busy aerodromes to handle the landing and taking-off of aircraft under instrument weather conditions. At the present time, with existing blind-landing aids and navigation facilities, the shortest practical interval between successive landings and take-

offs is about three minutes, and at many airports equipment and local conditions may require an interval more than twice as long between successive aircraft.

The object of the Division is to devise air traffic control procedures so that, firstly, the three-minute interval will be usable at most of the world's international airports where heavy traffic is encountered and, secondly, as a more distant objective, to find methods which will substantially reduce this three-minute minimum between successive landings or take-offs.

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"SHOOTING THE STARS" ON AIRLIFT: Tokyo, Japan, November 16 -- The Pacific airlift operations of the RCAF's 426 Thunderbird Squadron are a cross between a navigator's dream and nightmare, according to Flight Lieutenant R.E. (Ted) Ratcliffe, DFC, of Kingston, Ont., navigation leader of the squadron.

Nothing delights an air force navigator more than the chance to make full use of his complex bag of tricks, and on the Pacific run they do just this. At the same time, seemingly unpredictable winds and bad weather often make the trips a "sweating out" process for the slide rule and sextant boys.

The long trip, which takes nearly 25 hours flying time between McChord Field and Japan, is done about 95 per cent of the time above cloud, and with long over-water stretches. The men who navigate the big four-engine North Stars use combinations of such aids as Loran (long range aid to navigation), astro-navigation, radio bearings, and pressure-pattern flying methods. On the long haul from Shemya in the Aleutians to Tokyo, more than 2100 statute miles, the navigator has his busiest time as continuous position fixes are sent out, to let ground stations know the aircraft's position.

Astro-navigation--shooting the stars--is the mainstay of the RCAF navigators.

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AVERAGE WEEKLY WAGES: Average weekly wages paid to hourly-rated wage-earners by leading Canadian manufacturers at September 1 declined to \$43.74 from \$44.29 at August 1, but were above the September 1, 1949 figure of \$41.72. Largely as a result of the labour dispute on the railways, the average work-week was three-fifths of an hour shorter at September 1 than at August 1, standing at 41.9 hours as compared with 42.5. A year ago the average was 42.4 hours.

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WEEK'S EVENTS IN REVIEW

SHARE ALIKE PRIORITY WITH U.S.: The Minister of Trade and Commerce, Mr. Howe, announced on November 8 that an agreement had been reached with the United States Government under which each country extends to the other equal priority assistance to that accorded its own defence contracts to ensure the supply of essential materials and components for the military production programmes.

A memorandum of instructions regarding defence requirements and priorities is being issued for the general information of Canadian industry. Simultaneously, in Washington the National Production Authority is releasing revised regulations which permit the extension of U.S. defence priorities for the benefit of Canadian industry's requirements.

Mr. Howe stated that this does not mean the institution of a formal priorities system in Canada. As was recognized in the Joint Statement of Principles for Economic Co-operation recently signed in Washington, it is neither likely nor desirable that there should be parallel controls on industry in the two countries in view of the differences in conditions which exist. Instead in Canada the voluntary arrangements which are made to ensure priority production for Canadian defence orders will now also be made available to U.S. defence orders placed with Canadian suppliers. In the

United States Canadian orders will have the benefit of the formal U.S. system on priority ratings extended by the National Production Authority.

Detailed instructions will be issued shortly by the Department of Trade and Commerce, on the method of making application for the benefits of the U.S. priorities. The Department will be responsible for passing on all such applications for the approval of U.S. authorities.

The following is the partial text of the memorandum of instructions regarding defence requirements and priorities:

1. The Governments of the United States and Canada, in the interests of mutual security and to assist in the discharge of their obligations under the United Nations Charter and the North Atlantic Treaty, have provided for the widest utilization of North American sources of essential military materials and supplies, and have recently agreed on a joint statement of principles for economic co-operation.

2. In accordance with these principles, the military production programmes of the two countries must be closely integrated, since manufacturers in both countries are dependent on common sources of materials, supplies and capital equipment. In the United States, to ensure that defence production goals are

BOND SALES TO U. S. HEAVY: Heavy sales of Canadian bonds to purchasers in the United States featured Canada's international security transactions in August when net sales to all countries reached an unprecedented monthly figure of \$53,900,000. As a result of August transactions, the cumulative sales balance to all countries for the first eight months advanced to \$73,300,000 -- almost four times its size at the end of July. There was a small purchase balance in the first eight months of last year.

Canadian bond sales accounted for 80 per cent of net sales of securities to all countries in August. Practically all net sales of these bonds, at \$43,400,000 in the month, were to purchasers in the United States. Net sales of other types of securities to the United States amounted to \$10,800,000. Total sales to the United States in the month were \$72,000,000, and purchases from that country totalled \$17,900,000.

The volume of trade with the United Kingdom was the smallest since August 1949, sales declining to \$100,000 and purchases to \$1,000,000. Sales to other countries increased to \$1,100,000, the highest total since February, 1947. Purchases were unchanged at \$500,000.

Sales to all countries in August were valued at \$73,300,000 as against \$27,900,000 in July, and \$13,600,000 in August last year, while purchases amounted to \$19,400,000 as against \$17,700,000 in July and \$14,200,000 a year ago.

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EMPLOYMENT CONTINUES HIGHER: Industrial employment in Canada continued to move to higher levels at the beginning of September, according to advance figures issued by the Bureau of Statistics. The general index, which stood at a new peak, rose 0.8 per cent over August and 1.9 per cent over September last year. Due to losses directly or indirectly resulting from the railway strike, there was a decrease of 1.5 per cent from August in weekly payrolls. The advance over a year ago was 4.4 per cent.

The advance index number of employment, on the base 1926=100, stood at 206.0 as compared with 204.4 at August 1, and 202.1 at September 1 last year. Average weekly earnings fell from \$45.26 at August 1 to \$44.26 at September 1, but rose from the September 1, 1949 figure of \$43.27.

Employment in manufacturing showed considerable improvement, with increases in the vegetable, food, textile, metal-using and many other divisions of the industry. The preliminary index of factory employment was the highest since April 1, 1945. Fairly large gains were reported in logging, and there were slight increases in several other groups. On the other hand, many workers in certain departments of the railways, laid off as a result of the dispute, had not been reinstated by the date of the latest survey.

WHEAT SUPPLIES LARGEST IN SIX YEARS: Canadian wheat supplies for the 1950-51 crop year are currently placed at 578,500,000 bushels, comprising carryover stocks of 113,200,000 bushels and the 1950 crop estimated at the end of September at 465,300,000. If the current production estimate is realized, this year's wheat supplies will be the largest since 1944-45 and some 109,000,000 bushels in excess of the 1949-50 total.

Domestic requirements for 1950-51 are tentatively placed at 155,000,000 bushels, up some 23,000,000 from last year, due largely to an anticipated increase in the amount of wheat fed to live stock. Based on the foregoing estimates the amount available for export and carryover during 1950-51 will be 423,500,000 bushels as against 337,900,000 last year.

Exports of both wheat and wheat flour during the first two months of the current crop year are below those of the comparable period in 1949. This year's August and September exports of wheat totalled 26,500,000 bushels compared with 32,500,000 for the same period last year, while flour exports in terms of wheat equivalent were down from 7,700,000 to 6,400,000 bushels.

Exports of wheat during August and September this year to the United Kingdom totalled 12,200,000 bushels, or 46 per cent of the total. Other countries receiving Canadian wheat in excess of 1,000,000 bushels during the same period were Belgium, Switzerland, the United States, Israel, Chile and Malta. Lesser amounts went to 18 other countries.

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PETROLEUM PRODUCTION FALLS: All-Canada output of crude petroleum and natural gasoline declined six per cent in August from the high record total reached in the preceding month, but rose 25 per cent over August last year. During the first eight months of this year, output advanced 30 per cent over the similar period of 1949.

The month's output amounted to 2,466,586 barrels as compared with 2,609,778 in July and 1,969,615 in August last year, bringing the cumulative total for the eight months ending August to 17,574,619 barrels from 13,541,991 in the same months last year.

Alberta wells accounted for 2,307,864 barrels in August as compared with 1,870,528 a year earlier. Output from Leduc rose to 964,688 barrels from 885,625, Redwater to 824,516 barrels from 549,947, and Lloydminster to 74,648 barrels from 53,799, while production from Turner Valley fell to 266,858 barrels from 299,109.

The month's output from wells in Saskatchewan amounted to 93,560 barrels as compared with 57,553 in August, 1949; Northwest Territories, 41,715 barrels compared with 14,993; Ontario, 22,116 barrels compared with 24,736; and New Brunswick, 1,331 barrels compared with 1,805.

MR. PEARSON ON MR. LIE'S APPOINTMENT: The following is the partial text of the statement by the Secretary of State for External Affairs, Mr. Pearson, Chairman of the Canadian Delegation to the United Nations Fifth General Assembly, on the question of the appointment of the Secretary General, Mr. Lie, on October 31:

"...The Delegate of the Soviet Union stated that the Secretary General must give minimum satisfaction to everybody - by which he probably meant maximum satisfaction to the U.S.S.R. He said that the Secretary General must be an objective international official. Our Secretary General is that and that is why I honour and respect him.

"Mr. Vishinsky declared that during the last five years, his Delegation, his Government had acquired some doubts as to Mr. Lie's fitness for the post. I suspect however it was not during five years - but five days - in June, 1950 - that they began to realize that Mr. Lie was not their kind of Secretary General.

ATTACKED AS A "RED"

"What is the basis of the attacks being made now by those in the Communist world who not long ago were praising Mr. Lie to the skies and trying to harness him to their own particular brand of peace campaign. Indeed, so highly praised was he by these people, that extremists on the other side attacked him as a 'red'.

"The General Assembly which originally fixed the terms of Mr. Lie at five years, without any action whatever on this matter by the Security Council, is now simply reviewing its former decision and extending Mr. Lie's term by another three years. This is all this Assembly is doing. If the Assembly was competent to set the term at 5 years, surely it is competent to extend to 8 years. This is not a new appointment; it is not a renewal of appointment. It is a revision of a previous Assembly decision about a term of office. As such, it appears to us legal.

"In adopting this course, Mr. Vishinsky says, we are yielding to the caprice of 'one power'. In one sense we are. The vote in the Security Council - which made necessary the reference to the Assembly on Mr. Lie's reappointment was 9 in favour - 1 against. The 'one' was the U.S.S.R. though I do not insist that its action was based on 'caprice'. There was much more than that behind it.

"If a Secretary General is attacked from both sides, he is either a cypher or a sincere, honest, impartial servant of the United Nations. Mr. Lie is no cypher - and it is of course quite unnecessary to defend him from the elegant adjectives now being thrown at him by those who desired his appointment in 1946, supported it during 1947, 48, 49 and insist on his dismissal now....

"The trouble is, of course, that Mr. Lie refuses to accept the Soviet policy on certain matters that have come before the United Na-

tions - and insists on doing his duty as the servant of our organization - in carrying out its wishes and helping to implement its resolutions.

"The U.S.S.R. now says that the Secretary General should refuse to support any action of the United Nations which they, the small minority, consider invalid. Because Mr. Lie takes a more honourable and more honest view of his duty, he is 'two-faced' and 'unobjective'. Insistence that the Secretary General of the United Nations should accept the view of a small group as to what is or is not permissible under the Charter, that would indeed be a mockery of the United Nations.

"Finally, the Soviet Delegate, who talked so often this morning about 'crude pressure', has attempted to intimidate the Assembly by reading back to us that excerpt from his Press Conference in which he stated if the Secretary General's term is extended they would not regard him, or deal with him as Secretary General of the United Nations.

"That, I think, may be considered as the crudest kind of pressure, but will not be sufficient, I'm sure, to cause us to act as 'nervous maidens' in voting on this resolution...."

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COST-OF-LIVING INDEX UP AGAIN: The Bureau of Statistics cost-of-living index rose 0.9 points between September 1 and October 2 to reach 170.7. At the beginning of January this year the index stood at 161.0 and the October 1949 figure was 162.2. In contrast to the past few months, groups other than food accounted for most of the increase.

The food index recorded an advance of 1.3 points to 220.1, reflecting increases for eggs, butter, milk, coffee and fruits. Reversing a January-September trend, meat prices declined slightly, while fresh vegetables also moved lower.

The clothing index rose from 182.3 to 183.5, largely as a result of higher prices for fall and winter items and footwear. Slight increases throughout the home furnishings and services group advanced this index 1.6 points to 172.7. The index of miscellaneous items moved from 132.8 to 133.3, following increases in tires, barbers' fees, and certain drug items.

Higher prices for coal and coke resulted in a slight gain in the fuel and light index from 140.8 to 141.0. Rents were not surveyed during October, and the index remained at 135.5.

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LATE KING GUSTAV HONOURED: Ships and establishments of the Royal Canadian Navy honoured the memory of His Majesty the late King Gustav of Sweden on the day of his funeral, November 9. Colours were half-masted and a Swedish ensign or national flag flew in ships and shore establishments of the R.C.N.

FISHERIES DEPARTMENT REORGANIZED: A general reorganization and streamlining of the field services of the federal Department of Fisheries in Nova Scotia, New Brunswick and Prince Edward Island was announced on November 5 by the Minister of Fisheries, Mr. Mayhew.

The new system, which went into effect over the week-end, brings into operation three specialized divisions responsible for protection, inspection and administration. It replaces the unit system whereby 16 unit offices were responsible for both protection and inspection within their particular units. At the same time, the Eastern Fisheries Division became known as the "Maritimes Area". Headquarters remain at Halifax.

The Department's Chief Supervisor of Fisheries, E.D. Fraser will continue to have general supervision of the services in the three Maritime Provinces, but he will now have the heads of the three new divisions as principal assistants to help him in carrying out Departmental responsibilities.

The officers who have been appointed to head the three specialized divisions are as follows: Forrest Watson, Halifax, N.S., Chief, Protection Division; R.E.S. Homans, Halifax, N.S., Chief, Inspection Division; E.A. Home, Halifax, N.S., Chief, Administrative Division.

Under the new system, the protection and inspection duties are separated, in line with Departmental organization in Ottawa where protection matters across Canada are administered by the Protection Branch of the Conservation and Development Service and inspection matters across Canada are administered by the Inspection Branch of the Inspection and Consumer Service.

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FRENCH, NORWEGIAN AIR CHIEFS' VISIT: The Chiefs of Staff of the French and Norwegian Air Forces arrived at Rockcliffe air station on Saturday, November 4, for a short visit to Air Force stations and aircraft plants in the Toronto and Montreal areas. General Charles Lechères, Chief of Staff of the French Air Force and Lieutenant General A. Bjarne Oen, Chief of Air Staff of the Royal Norwegian Air Force, put down at Rockcliffe aboard an RCAF transport from New York, accompanied by Air Marshal W.A. Curtis, Chief of Air Staff, RCAF.

The two Air Force Chiefs made short visits to RCAF Stations Trenton and Centralia, and spent Monday night in Toronto. On Tuesday they visited the Malton plant of A.V. Roe Canada Limited where the CF-100 Canuck is being made, and were flown to the Canadair Limited plant at Montreal. They returned to New York Tuesday night.

Gen. Lechères and Lt. Gen. Oen had been taking part in the North Atlantic Treaty organization talks in Washington, and visited Canada at the invitation of Air Marshal Curtis. While at Centralia they met French and Norwegian student pilots taking training there.

UN MAIN ACHIEVEMENTS: Addressing the Greater Hartford Council For UNESCO in Hartford, Conn., on October 27, the Minister of National Health and Welfare, Mr. Martin, listed the following as the main achievements of the United Nations since its foundation:

1. It has come safely through its formative years.
2. Increasingly, it has become the focus for the people's faith in peaceful action. Even nations that are antagonistic to it and its objectives have not dared abandon it.
3. It has encouraged co-operation in many fields -- finance, health, food, aviation, trade, economic rehabilitation, the relief and rehabilitation of refugees, the restoration of war-torn nations, the extension of science and education, and the rebuilding of cultural life.
4. It has lessened the extent of international conflict. It has not stopped all wars, but who can say what wars were possible unless it had taken action?
5. In five years, the United Nations has encouraged more understanding of world citizenship and the inter-dependence of nations than any comparable organization has ever done in a similar period.
6. In the liberation of Korea, the United Nations has crowned a series of successes that include the new states of Israel and Indonesia.

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MR. CLAXTON'S REMEMBRANCE DAY SPEECH: The following is an excerpt from the Remembrance Day Speech of the Minister of National Defence, Mr. Claxton, broadcast from Ottawa on November 4:

"The poppy is a remembrance of sacrifice, and a reminder of our obligation. It should also be an inspiration for us for future years. We must work as we have never worked before to ensure that the face of the earth is not again suffused with the red shame of war. As we stand in reverence at our memorial services in every part of Canada, let us mark our remembrance by a re-dedication of our lives to the cause of peace and freedom through the service of our country. This ceremony reminds us again that vigilance is the price of freedom, that the fight for peace will go to the strong and that the cost of security must be paid for in work and in sacrifice."

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GOLD PRODUCTION UP: Canada's gold production rose in August to 376,386 fine ounces from 359,931 in the corresponding month last year, advances being recorded in all provinces and the two territories, except British Columbia. The eight-month total amounted to 2,944,682 fine ounces as against 2,655,977 in the corresponding period of last year.

Output in Ontario rose from 196,976 fine ounces in August last year to 205,024, followed by Quebec with an advance from 82,492 fine ounces to 85,958. British Columbia's output was moderately lower at 26,639 fine ounces as against 27,460.

The combined production in Manitoba and Saskatchewan increased from 21,674 fine ounces to 22,023. August output in the Northwest Territories was up from 15,920 fine ounces to 18,202, and in the Yukon from 13,247 to 17,690 fine ounces.

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MR. PEARSON ON DISARMAMENT: The following is the concluding portion of the interview given by the Secretary of State for External Affairs, Mr. Pearson, to Michael Hayward, Editor of "Memo From Lake Success," broadcast on November 4 over major networks in the United States and Canada:

Mr. Hayward: Well, Mr. Pearson, President Truman on "United Nations Day" suggested that it may prove fruitful if the question of disarmament, both atomic and conventional arms, would be taken up by a single consolidated Disarmament Commission. Isn't this a move to meet previous Soviet demands to link these two subjects?

Mr. Pearson: It is true that in the past the Soviets, I believe, have been very anxious to have the two forms of disarmament brought under one commission. And I don't think personally that I'd have any objection to that myself, but I don't know whether it really would be a very great improvement just to have one commission instead of two. After all, it's not machinery that we need for disarmament, it's a meeting of minds in respect of disarmament. And the juggling of committees and making two into one and all that sort of thing isn't itself going to result in much progress. We have a lot of "harness" around here now. What we probably need is a little more "horse"!

Mr. Hayward: In any case, would Canada like to be a member of this consolidated commission? It is now a member of the Atomic Energy Commission, but not the Commission on Conventional Armaments.

Mr. Pearson: If that consolidated commission were going to discuss atomic questions, I think it would almost be essential that Canada should be a member of it because Canada is one of the four countries now that is actively in the field of atomic energy production. So I should think we would probably be asked to serve on that Commission. If we were, of course, we would accept.

Mr. Hayward: Mr. Pearson, one final question: Are there any assurances that you could give to Mr. Vishinsky and the Soviet Union to their oft-repeated fears that they would simply be drowned in such an international Atomic Energy Control?

Mr. Pearson: I don't think there are any assurances that I could give that would satisfy

Mr. Vishinsky. That is, of course, at the root of all our difficulties. They have this fear of being overwhelmed by the majority on these Commissions and they don't apparently accept the assurance we give that, if their policies were conducive to co-operation and understanding, they'd have nothing to fear; that they wouldn't have the majority against them all the time. We think that the reason they are in the minority is because of their policy. They don't accept that. And until, somehow, these two views can be brought closer together and some of these fears and suspicions and distrusts removed, I doubt any assurance of mine on this particular score will be of any help to Mr. Vishinsky.

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NATIONAL NOTES

Premier Douglas Campbell of Manitoba has estimated that the cost of the Province's disastrous spring floods was \$23,000,000. He said he believes the federal Government will "substantially increase" its \$12,500,000 rehabilitation contribution. His estimate was given at the opening of the special session of Legislature, called to pass judgment on the provincial Government's handling of the crisis last spring.

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Premier Joseph Smallwood of Newfoundland says a new-type fishing boat which may solve the centuries-old problems of Newfoundland fishermen will make its appearance about November 15 or 20. The Premier, addressing the United Maritime Fishermen, Limited, in Moncton, mentioned the experimental boat being built by the Newfoundland Government as a possible answer to inefficient production methods now employed. It will be suited for all weather, all methods of fishing and will be able to operate all year.

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Shortage of 15,400 skilled and unskilled workers in Ontario may result in the bringing of such labour from the United Kingdom, and Ontario Hydro officials have already been in England discussing such steps, Premier Frost, of Ontario, stated this week.

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A Speech from the Throne, calling for "full respect" for provincial rights launched the Quebec Legislature session on November 8, two months earlier than usual.

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Three Canadian animated films have been awarded prizes at the fifth International Film Festival at Salerno, Italy, the National Film Board has announced. The three are the work of Norman McLaren, head of animation for the N. F. B.

MR. ST. LAURENT ON ARMED STRENGTH FOR SECURITY

BEFORE EXPORTERS' ASSOCIATION: The following is an excerpt from the address of the Prime Minister, Mr. St. Laurent, to the Canadian Exporters' Association, in Ottawa on November 6:

"I am sure I don't need to remind you that if the world is at war or in a more or less constant state of fear and uncertainty, it is very bad for trade. I am confident, therefore that the members of the Exporters' Association will have the fullest sympathy for the efforts we are making to remove the sources of fear and uncertainty in the world today. I think most of us are in agreement that the only hope of security for the world in the near future lies in building up armed strength sufficient to be an effective deterrent to potential aggression. That in fact seems to be the only hope of preventing a war from breaking out. Of course, we do not want to go on forever facing potential aggressors across an armed frontier. While building up our strength, we must also continue to look for every opportunity of a real settlement of differences and we must never lose hope of finally establishing a peaceful world community based on universal good-will.

SUFFICIENT MILITARY STRENGTH

"Our first duty, however, is the provision of sufficient military strength, including the industrial strength on which real military strength today is based, to make the risk of starting another war against any of us a risk not worth taking.

"For the last two years, the building up of combined deterrent strength through the North Atlantic Alliance has been our first pre-occupation in the Government. The Governments of the free nations with which we are associated have been similarly concerned. And I am afraid that the provision of effective insurance against another world war is likely to continue to be one of our main problems for a good many years to come. I feel sure that the action taken by the United Nations to meet and overcome actual aggression in Korea has strengthened the chances of preventing aggression elsewhere, provided we do not relax our efforts.

"The joint agreement Mr. C.D. Howe concluded for us in Washington ten days ago - to provide for the extension of the so-called Hyde Park principle to meet present conditions - is just one of the steps which has been taken recently to make more effective use of our potential strength on this continent.

"I am sure that agreement will appeal particularly to you because it is based on the same sound principles on which profitable

trade is always based. The importance of this Washington agreement may well equal the original Hyde Park Declaration which was issued jointly by my predecessor Mr. Mackenzie King, and the late President Roosevelt, in April 1941 and which added so substantially to our wartime productive strength. By pooling resources and skills and their use to the best possible advantage we are going to continue to develop a joint defence production which we believe will, to all practical intents and purposes, virtually eliminate the barriers to the free flow of arms and equipment between our two nations.

"It is going to be difficult, when we have to concentrate so much on war-like preparations to avoid developing a war-like outlook. Yet that would be fatal to the success of our whole policy which is to prevent war and to maintain peace. To achieve those aims, we cannot be content merely with military preparedness.

THREAT OF COMMUNISM

"Dealing with the threat of totalitarian Communism is not merely a military problem by any manner of means. Some of the most effective weapons in this worldwide struggle between totalitarian Communism and our free societies are not military weapons at all. The real hope of the Communists is that so-called capitalist nations can be over-thrown without resort to war, except for revolutionary outbreaks within countries. It is mainly by fostering discontent, by gaining power over trade unions, by infiltrating into key positions, and by other subversive means, that revolutionary Communist parties have sought to gain control over one nation after another. We have seen that process at work in Eastern Europe and in Asia. Even the Korean aggression had some of the elements of this technique and the Communist propaganda has insisted that it is a civil war.

"There is not the slightest likelihood of this kind of technique working in Canada, or elsewhere in North America. On this continent, the Communists are a tiny minority, even counting their deluded fellow-travellers. The rest of our population is becoming increasingly aware of how the Communists work and increasingly suspicious of their propaganda. So long as we can combine a high degree of personal and political freedom with a high standard of living and welfare for our people, there will be no effective scope for Communist propaganda. Of course we cannot have a great increase in military strength and a high standard of living without the greatest possible economic efficiency...."

STATEMENT ON "UNITED ACTION FOR PEACE"

MR. PEARSON AT UN: The following is the partial text of the statement on "United Action for Peace" by the Secretary of State for External Affairs, Mr. Pearson, Chairman of the Canadian Delegation, in the Plenary Session of the UN General Assembly, on November 3:

"...We were privileged to hear from the leader of the Soviet Delegation the pure party line on the cordial but temporary friendship struck up at that time (1939) between the Nazis and Moscow, and I must tell him frankly that his account of that episode simply will not wash. He assured us that the sole purpose of the Soviet-German pact in 1939 was to enable the USSR to fill gaps in its defences for the attack which it knew was coming. If that is a true explanation, why did the Soviet Union do its best, after the destruction of Poland to force the nations of the British Commonwealth and France to stop fighting Hitler, and why did they accuse them of aggression in continuing the war? If those countries had stopped fighting at that time, would the Soviet Union have been stronger to withstand the attack from Hitler, who would then have been in virtual domination of all of Western Europe, an attack which Mr. Vishinsky assures us the rulers of Moscow knew was coming? If they did know it, why did they spurn all the attempts made by the United Kingdom Government to warn them of their danger as efforts to divide them from their friends of that moment, the Nazis?

EVENTS IN KOREA

"In our view, Mr. Vishinsky's version of the history of that period will not stand even the most superficial analysis, and his account of what happened in Korea in June 1950 -- and that also has a very immediate connection with our draft resolution -- seems to us to be equally flimsy and to fall to pieces at the slightest examination....

"Did the Soviet Union support the Security Council in its efforts to stop the war, or did it encourage the forces of North Korea, which were then triumphantly advancing? So far as I am aware, there was no whisper of support from the Soviet Union at that moment for the Security Council's appeal to cease fire. And what was the reason? Possibly, as we have not had a reason from the Soviet Union Delegation, I might suggest an answer.

"The Soviet Union may have refused to support the Security Council's call for a cease-fire at that time because then the North Korean forces were enjoying the first fruits of aggression and were advancing pell-mell down the peninsula. The interest of the Soviet Union in a cease-fire bloomed later. They were not early advocates of this idea, as Mr. Vishinsky would have us believe, but rather, their interest was expressed later, on August

1 when they called for a cease-fire. At a time when their friends were in possession of most of Korea and the brave and embattled forces of the Republic of Korea, of the United States, and of other Members of the United Nations stood at bay, waiting until United Nations forces should have gathered sufficient strength to take the offensive, then, and then only, did the Soviet Union suddenly become pacific and realize the great advantages of a cease-fire.

"This resolution has been attacked, and very vigorously attacked, as aimed against, for one thing, the unanimity of the great Powers. That, as I see it, is nonsense. No one has more to gain from such unanimity than the smaller and middle-sized Powers. But what is the use of a unanimity which can be achieved only by doing nothing, which is used as a cloak of obstruction and reaction? That kind of unanimity is meaningless and will get us nowhere....

COLLECTIVE SECURITY GOAL

"In resolution A, we are making further progress toward organizing collective security. That is our goal. It is a good goal, and it is one which we are determined to reach, especially we of the smaller and middle Powers who know that by no other means can our security be ensured against those who threaten it. What this resolution does has been, I think, sufficiently explained by previous speakers, but let me mention one or two things which it does not do.

"It does not sabotage the Security Council. It merely establishes peace machinery under the Assembly to supplement the Security Council when the latter body sabotages itself. If the Security Council can work effectively to defend the peace and defeat the aggressor, this resolution will never have to be invoked. And no one will be more pleased by that than its sponsors and supporters.

"Also, this resolution does not, as some friendly critics in Asia have suggested, organize the Assembly for war. It merely lays down methods by which, through Assembly action, Members of the United Nations can implement obligations already undertaken under the Charter.

"Thirdly, this resolution does not set up an international force. It recommends that Members place national contingents at the disposal of the United Nations to carry out obligations and recommendations which those Members accept. These contingents must be equipped, trained and ready to join in international police action, so that, if a June 27 1950 occurs again, the United Nations will have forces from many of its Members ready to meet the aggression, and not from one or two alone. To make this provision effective, the

provision in paragraph 8 of resolution A, it will not be enough for a few countries to take the action recommended. We must all, within the measure of our capacities, contribute to its implementation. That will be the test of the sincerity of our words in favour of collective security and that will be the test of the effectiveness of this new effort to put international force behind the collective will for peace of the United Nations....

"In this resolution, we have made a bold step forward toward a genuine and effective system of collective security. This is our answer to those who would frustrate and make futile the efforts of the Security Council to carry out the task for which it has primary responsibility, the maintenance of international peace and security. This resolution is also our warning to those who would threaten the peace and who are tempted to commit aggression...."

* * * *

SHARE ALIKE PRIORITY WITH U.S. (Con'd. from p. 1)

achieved, the United States Government has recently instituted a number of controls, including a formal priority system. In Canada, while standby powers have been taken, it has not been considered necessary to institute a formal priority system. Instead, voluntary arrangements have been and are being made to ensure priority production of Canadian defence orders. Because of the close association between industry in the two countries, and to facilitate the joint development of our military production programmes, an agreement has now been reached to provide mutual priority assistance where this is necessary.

3. In order to meet Canada's requirements of essential materials and components from United States sources for defence orders, the United States Government will extend the benefits of its formal priority system to Canada. On its part, the Canadian Government will extend to U.S. defence orders equal priority assistance to that accorded Canadian defence orders....

* * * *

CANADIAN PORTS' BUSY SEASON: Canadian ports had a busy season in 1949, the number of vessels arriving and departing being the largest since 1940 and the registered net tonnage of the vessels the heaviest on record. Vessels in the coasting trade accounted for the increased traffic, those in foreign service being lower both in number and registered net tonnage.

The total number of arrivals in coasting and foreign service during the year was 112,577 as compared with 106,279 in the preceding year, and 124,453 in 1940, while the departures numbered 113,324 as against 106,511 in 1948, and 125,478 in 1940.

Arrivals of vessels in foreign service numbered 30,565 during the year as compared

with 31,138 in 1948, while the departures fell to 32,562 from 33,511. In the coasting trade the arrivals numbered 82,012 compared with 75,141 in the preceding year, and the departures totalled 80,762 against 73,000.

* * * *

DESTROYERS RETURN TO PORT: Two of the three Canadian destroyers serving under United Nations command in the Korean theatre have returned to port after lengthy periods at sea with UN naval forces, the Department of National Defence reports from a Japanese naval base.

H.M.C.S. Cayuga arrived at the base for minor repairs and replenishment of stores after serving with a Commonwealth fleet off the west coast of Korea.

She was joined by H.M.C.S. Athabaskan, which had been attached to the United States Seventh Fleet, operating off the east coast of Korea, and had spent 23 consecutive days at sea.

The third Canadian destroyer, H.M.C.S. Sioux was still at sea, serving with Commonwealth units off the Korean west coast.

The Canadian ships' most recent tour of duty consisted of routine screening and patrols and was lacking in the most exciting episodes, such as bombardments and landings, which marked their earlier operations. Only the Athabaskan reported some "interesting moments."

During her period with the Seventh Fleet, the Athabaskan destroyed three floating mines, bringing her individual total to eight and the total for the three R.C.N. ships to 17.

For much of the time the Athabaskan served as a screening ship for a bombardment group of 37 U.N. ships, under the command of Vice-Admiral Dewey Struble, U.S.N. The group included the big battleship U.S.S. Missouri and formed the largest naval force to operate on the east coast since the outbreak of the Korean war.

* * * *

NEW UNEMPLOYMENT INSURANCE RULES: Regulations of the Unemployment Insurance Commission designed to prevent a drain on the unemployment insurance fund through claims from women who, on marriage, are really withdrawing from the employment field, have been approved. Announcement of this was made on November 7 by the Minister of Labour, Mr. Gregg.

The regulations have been approved on recommendation of the Unemployment Insurance Advisory Committee which is charged with responsibility for reviewing and reporting on the unemployment insurance fund. This Committee is representative of workers, and employers. The Committee reviewed the situation following representations that claims for benefit were being made by some married women who registered as unplaced job applicants but who were not in fact interested in employment. One of the basic requirements in making a claim is that the claimant shall be in the employment field.



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WEEK'S EVENTS IN REVIEW

MR. PEARSON'S PEACE PROPOSALS AT UN: In a statement on October 30 on the Soviet Peace Resolution before the First Committee, the Secretary of State for External Affairs, Mr. Pearson, speaking as Chairman of the Canadian Delegation to the United Nations General Assembly, suggested certain steps which might be taken by the Communist States. Such steps, he suggested would help to remove western fears over the lack of co-operation which marked Soviet foreign policy, and might begin to establish mutual confidence. These steps would be:

"(1) The Soviet Union should immediately join in the work of the United Nations specialized agencies devoted to such things as health, food and agriculture, instead of boycotting that work as at present. Also the Soviet Union - so rich and powerful - should bear its share of the burden of assistance to under-developed countries and of relief and rehabilitation in ravaged countries like Korea.

"(2) The Soviet Union should cease the policy of isolating its people, its culture, its progress, from any contact with the non-communist world; should give its people an opportunity to learn for themselves that we are not all capitalist exploiters, imperialist warmongers, and gangsters; while we in our turn, should be given the opportunity to convince ourselves that the great, flourishing

energies of the Soviet people are being solely devoted - as we are told - to the work of peaceful construction...."

Referring to the annual recurrence at the Assembly of a general debate on the essentials of peace, and noting headline reproductions of such Soviet phrases as "unbridled slanders," "dirty insinuations," "nonsensical babbling," and "maddened yelps of warmongers," Mr. Pearson offered this further peace proposal of his own: "It is a two-year moratorium on bellicose and violent speeches about peace at the United Nations, and a two-year attempt to do something effective about peace."

The Minister proceeded, in part:

"The Soviet Resolution contains an appeal to the permanent members of the Security Council to work for peace and to conclude a pact. While we must be, of course, in favour of renewed effort to reach agreement by every form of consultation, we should not forget that peace lies not primarily in pacts, but in the hearts of men and the policies of states.

"In this matter of consultation as in other matters, we should come down out of the clouds and face certain hard facts. What kind of consultations are envisaged? Experience has shown that some forms may accomplish nothing. Indeed, they may do more harm than good by raising hopes that are later dashed and by creating despair out of failure of great expectations.

GUARANTEE CODFISH PRICE: The Minister of Fisheries, Mr. Mayhew, announced on October 26 that the federal Government would guarantee Newfoundland fishermen an initial payment of \$7.00 per quintal for genuine Labrador codfish of the 1950 catch.

The decision was made by Cabinet when it became clear that without help large stocks of fish would remain in the hands of fishermen.

The plan, which removes the threat of serious hardships this winter for fishermen and their families, has the support of members of the Newfoundland Salt Codfish Association. The Association has agreed to handle the fish, estimated at 150,000 quintals, without profit to themselves and to turn back to the fishermen any additional returns that might accrue on sales to be made.

It is expected that the final sale of all fish will be sufficient to provide for a later additional payment to the fishermen.

LARGE CARRYOVER FROM 1949

The Minister said the Newfoundland fisheries entered the present season with a large carryover of 1949 fish which naturally affected prospects for this season's sales. The plan for the Labrador fish will assure the fishermen of immediate initial payments for this season's catch and will also move the fish from fishermen to merchants' warehouses for further processing. Merchants must get the fish immediately so that the Newfoundland Associated Fish Exporters Limited -- the exporting agency -- can make sales contracts.

The Government moved to relieve the Newfoundland situation following an impasse in negotiations between representatives of the fishermen and the Newfoundland Salt Codfish Association. The two groups, as is customary each year, met to make price agreements. Two such meetings in October failed to bring about an agreement.

The export marketing of the fish covered by this plan will be a matter of arrangement between the federal Government and NAFEL, taking into account the needs of relief agencies as well as the normal markets and also the interests of other Canadian exporters of salted fish not covered by this plan.

The problem of Labrador fish in future years will have to be met by the Newfoundland industry itself, the Minister said.

* * * *

STRIKE LOSSES DOWN. Time loss due to work stoppages arising from industrial disputes during September, 1950, was only a fraction of the time lost during the previous month, when time loss was abnormally large due to the nationwide rail strike, according to a monthly summary of strikes and lockouts issued by the Minister of Labour, Mr. Gregg.

Preliminary figures for September, 1950, show 20 strikes and lockouts in existence involving 15,902 workers with a time loss of 38,376 man-working days as compared with 19

work stoppages in August, 1950, with 129,787 workers involved and a time loss of 1,053,000 days. In September, 1949, there were 25 strikes and lockouts involving 8,588 workers with a time loss of 67,933 days.

* * * *

NEW PRAYER BOOK FOR TROOPS: A new, 200-page book for use at divine services in the Armed Forces is being printed and will be ready in time to accompany Canada's Special Force soldiers overseas if and when they sail, Lt.-Col. C.F.G. Stone, MBE, Director of Army Chaplain Service (Protestant) said on October 28.

A far cry from the prayer book and hymnal used during the Second World War, the new edition contains the order of service for church and drumhead services, a lengthy section of prayers, two communion services, order of service for military funerals, some 250 hymns of the type popular with soldiers and 50 song selections for use in worship. The volume also contains a foreward by the Very Rev. J.W. Woodside, DD, of Ottawa, President of the Canadian Council of Churches.

Issued under the auspices of the Canadian Council of Churches, the book was compiled by chaplains of the Navy, Army and Air Force who worked overtime that the new edition might be ready in time to accompany the Special Force. Original plans called for completion and publication of the book in 1951.

* * * *

THE NETHERLANDS' THANKS: Thanks to the people of Canada for shipment to the Netherlands of armament equipment for an infantry division, were expressed on October 27 in a letter from A.H.J. Lovink, Netherlands Ambassador to Canada, to the Minister of National Defence and Acting Secretary of State for External Affairs, Mr. Claxton.

The text of Mr. Lovink's letter:
"Royal Netherlands Embassy October 26, 1950.

"Dear Mr. Minister,

"I have the honour and privilege to inform you that I am instructed by my Government to transmit to your country and people the grateful feelings of The Netherlands at the news that the Canadian Cabinet has approved the immediate shipment to Holland of the armament equipment for an infantry division, which was so generously made available by Canada to its European partners in the North Atlantic Treaty Organization and which has now been assigned to my country.

"Indeed, Mr. Minister, it is felt by my Government that this very happy event will once again underline the significance of the close and intimate ties between both our countries and peoples, not only as partners in the organization of the Atlantic Pact but also as partners in the spiritual bond of friendship and goodwill which was so unshakably cemented when Canadian arms liberated Holland.

"The Government and the people of The Netherlands have the fervent wish that these new Canadian arms, in their hands, may contribute to bring about the peace which our countries and our world cherish and stand for."

* * * *

MANUFACTURING PEAK IN 1949: The estimated gross factory value of products manufactured in Canada in 1949 was \$12,378,731,000 -- an all-time peak total -- as compared with \$11,876,790,000 in the preceding year, an advance of \$502,000,000, according to a preliminary report on manufactures in Canada released by the Bureau of Statistics. Approximately 10 per cent of the year's increase is accounted for by the inclusion for the first time of manufacturing plants in Newfoundland

Employees engaged in manufacturing were estimated at 1,159,315, slightly above the previous year's total of 1,156,006, while the estimated salary and wage payments aggregated \$2,566,104,000 as against \$2,409,809,000 the year before. The cost of materials used in the process of manufacture was \$6,764,896,000 as against \$6,632,881,000 a year earlier.

Out of 17 industrial groups listed in the report, only two had a lower gross factory value of production in 1949 than in 1948. The food and beverage group of industries -- largest of the 17 groups -- had a gross value of production of \$2,872,336,000 in 1949 as compared with \$2,839,531,000 the year before. Next were iron and steel products at \$1,408,912,000 compared with \$1,320,527,000; paper products, \$1,091,666,000 compared with \$1,061,359,000; transportation equipment, \$1,062,903,000 compared with \$941,483,000; non-ferrous metal products, \$865,398,000 compared with \$844,598,000; and wood products at \$824,407,000 compared with \$838,939,000.

In addition to general statistics for the 17 major groups, the report contains for the first time preliminary data on gross value of products, cost of materials, employees, salaries and wages, and cost of fuel and electricity for individual industries, and for the first time provides preliminary information on the production of 1,000 important commodities or commodity groups.

* * * *

END STATE OF WAR WITH GERMANY: The Department of External Affairs announced on October 26 that, having regard to the desirability of bringing the Federal Republic of Germany into closer association with the community of free nations, the Government has decided to take the necessary action in Canada to terminate the state of war with Germany, as soon as it is in a position to do so.

Such action will be quite distinct from any final settlement that may be concluded with Germany and it will in no way affect Germany's obligations in respect of such matters as debts and claims.

DEPARTMENT STORE SALES RISE: Department store sales in Canada in September, excluding Newfoundland, totalled \$78,312,000, an increase of three per cent over last year's September figure of \$76,146,000. During the first nine months of the year, sales advanced to \$572,127,000 from \$565,427,000 in the similar period of 1949, or by one per cent.

Sales in September were higher in all provinces except Manitoba and Saskatchewan. Ontario's total -- largest in dollar value among the provinces -- was up from \$27,916,000 to \$29,117,000, while in Quebec there was a gain from \$12,197,000 to \$13,294,000. In Manitoba the value fell from \$11,372,000 to \$11,259,000, but was up in British Columbia from \$9,226,000 to \$10,028,000. The total for the Maritimes advanced slightly from \$5,598,000 to \$5,648,000, and Alberta's total rose from \$5,065,000 to \$5,263,000. The value for Saskatchewan was down from \$4,772,000 to \$3,703,000.

Most changes in sales volume in September as compared with a year earlier differed little from the overall increase of three per cent for all departments, the exceptions being a 24 per cent rise in household appliances and electric supply sales and a 17 per cent increase in radio and music department sales. Furniture sales were up five per cent. All declines in sales volumes were of moderate proportions.

* * * *

INCREASED AUTO ENTRIES: Foreign vehicles entering Canada on traveller's vehicle permits increased five per cent in September over the same month last year, while in the first nine months of this year, entries were four per cent above the similar period of 1949. Increased entries were recorded in all areas in September except Nova Scotia and Manitoba, while in the nine months there were declines in Nova Scotia, Manitoba and the Yukon Territory.

The total number of entries in September was 277,381 as compared with 264,467 in September last year, bringing the cumulative total for the nine-month period to 1,778,716 units as against 1,717,534 in the same months last year.

* * * *

MORE DWELLINGS COMMENCED: Starts on the construction of new dwelling units in July exceeded the number of completions for the fourth successive month, resulting in a further substantial rise in the carry-over of dwellings in various stages of construction at the end of the month.

The number of dwellings on which starts were made in July was 10,245 as compared with 9,086 in the corresponding month last year, raising the total for the seven months ending July to 52,394 from 49,285 in the like 1949 period. Completions in July rose to 6,853 from 6,588 a year earlier, but were down in the seven months to 42,821 from 46,326.

SEES NEED FOR AID TO UNIVERSITIES

MR. ST. LAURENT'S U. OF T. ADDRESS: The following is an excerpt from the address of the Prime Minister, Mr. St. Laurent, at the Autumn Convocation, University of Toronto, on October 27:

"Mr. Arnold Toynbee has pointed out in a recent article that, if the Communists continue in their present course, 'we may see them rouse the Western World to cure itself of the faults for which the Communists denounce it, and to fulfil, in our own Western way, any admirable aims that are on Communism's official agenda.'

"Of course it is not the intention of the Communists to push our Western civilization into putting its house in better order, but there are increasing grounds for believing that is what they may be accomplishing.

NEED FOR ARMED STRENGTH

"The so-called 'iron curtain' has failed to conceal from the Western world the wide disparity between the theoretical aims of Communism and the actual social accomplishments of Communist totalitarianism, and the number of those in the Western World who are deceived by Soviet propaganda diminishes week by week. But the military strength of Communist Russia and the policies of its masters in these post-war years have convinced all but the blindest among us that the only hope of immediate security for the rest of the world lies in building up armed strength sufficient to be an effective deterrent to the potential aggression of this latest military tyranny

"Moreover, I think we all recognize, after the terrible experiences of this twentieth century, that a third world war, no matter how complete our ultimate victory, could not fail to be a major disaster for civilization. If war should come between those who profess the gross materialism of Communist ideology and those who accept the moral ideals of our Christian civilization, I am firmly convinced that the powers of evil, like the gates of Hell, would not prevail. But such a struggle, regardless of the outcome, would itself be a disaster. Consequently all of us who are seriously concerned about the preservation of civilization simply have no choice but to do our part in providing the absolutely indispensable insurance against that disaster. Our first duty to civilization is, therefore, the provision of sufficient military strength, including the industrial strength on which real military strength today is based, to make the risk of starting another war a risk not worth taking.

"For the last two years, the building up of that deterrent strength through the North Atlantic Alliance and, more recently, through the United Nations action in Korea, has been the first preoccupation of the Government of Canada and of the governments of the free

nations with which we are associated. The provision of effective insurance against another world war is likely to continue to be one of our main problems for a good many years to come.

"This policy of insurance through strength, in these times of rapid technological advance, is bound to make tremendous demands upon our universities to provide scientific and professional training and also the higher kinds of technical training. These demands are particularly severe in a country like ours, which is developing new resources at such an amazing rate, and it is very important that all these demands should be met, and met adequately. In meeting them, the universities are performing essential, national services.

TERMS OF DECADES

"But we have to recognize at the same time that there is another side to the preservation of civilization. It will never be enough to have sufficient strength to deter or restrain the external enemies of civilization. The task of keeping alive and flourishing the civilization we are organizing ourselves to protect may not be quite so urgent in the short run, but it is equally vital if we are thinking not in terms of one or two years but of one or two decades.

"A free civilization cannot be preserved behind an iron curtain, however strong. And I doubt if anyone believes that there can be any enduring civilization without freedom for individual men and women....

"...we have only begun the task of preserving civilization when we have provided security against the forces of barbarism from without. We must also provide security against the influences of barbarism we have found in the midst of our civilized communities. To preserve civilization, we have to nourish the spirit within.

"Our Western world has accepted the doctrine that men and women have the right to choose - and to dismiss - their governments for themselves; and to order their affairs as they see fit. It is evident, therefore, that if we are to preserve civilization, we must keep alive in our populations an attachment to the values of civilization; and we must make sure that the benefits of civilization are available to the many and not reserved for the few.

"We cannot neglect the less fortunate in our own midst, nor can we ignore the plight of nations less fortunate than our own. The preservation of civilization requires us to help those untold millions, most of them in Asia, to improve their standards of life and to achieve a situation they will feel it is worthwhile to defend. Despite our relatively small population, we have advantages here in Canada which fit us to contribute effectively to a combined effort to convince the less

fortunate peoples that even on the material plane the free world has more to offer than Communism. It is not without significance that Canada should have furnished the first Director for the Technical Assistance Programme of the United Nations....

"The Universities are, without question, among the most precious of our national institutions. Now I recognize, and I believe most Canadians recognize, the wisdom of the provision of our constitution which made education perhaps the most important of all those subjects entrusted to the provincial authorities. This provision was designed primarily to safeguard both of the two cultural traditions which we Canadians possess and which, year by year, we are coming to cherish more and more, as we realize how greatly they enrich our national life. The entrusting of education to the provincial authorities has the further advantage of providing a measure of insurance against too great a degree of uniformity in our educational systems. No one with any real respect for our history and tradition would wish to disturb that constitutional position. At the same time, I think many of us recognize increasingly that some means must be found to ensure to our universities the financial capacity to perform the many services which are required in the interest of the whole nation...."

* * * *

LABOUR INCOME AT RECORD HIGH: Continued advances in industrial employment and salary and wage payments swelled the Canadian labour income figure for July to a new all-time peak figure of \$691,000,000. This was 1.2 per cent above the previous high of \$683,000,000 in June, and 6.5 per cent higher than the July, 1949 total of \$649,000,000. The aggregate for the first seven months of this year was \$4,553,000,000 as against \$4,344,000,000 in the same months last year, a rise of 4.8 per cent.

All industrial groups shared in the rise in labour income over July last year, while in the seven months there were advances in each group except agriculture, logging, fishing, trapping and mining. The total for manufacturing advanced in the month from \$214,000,000 a year earlier to \$231,000,000, and in the seven-month period from \$1,490,000,000 to \$1,547,000,000. In utilities, transportation, communication, storage and trade, the July figure stood at \$182,000,000 as compared with \$172,000,000, and in the seven months aggregated \$1,208,000,000 against \$1,150,000,000.

The finance and services group total in July reached \$148,000,000 compared with \$142,000,000 in July last year, and in the January-July period totalled \$1,019,000,000 as against \$933,000,000. The construction figure for July was \$54,000,000 compared with \$49,000,000, and in the seven months amounted to \$308,000,000 compared with \$280,000,000.

Labour income in agriculture, logging, fishing, trapping and mining in July increased

to \$52,000,000 from \$51,000,000 in July, 1949, but declined in the seven-month period to \$315,000,000 from \$326,000,000. Supplementary labour income for July amounted to \$24,000,000 as compared with \$21,000,000 a year ago, and in the cumulative period totalled \$156,000,000 against \$140,000,000

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WHEAT CROP 430,000,000 BUSHELS: Canada's prairie wheat crop this year is now placed at 430,000,000 bushels as against 337,000,000 last year according to specially prepared estimates by the Bureau of Statistics. The crop of oats stands at 255,000,000 as against 190,000,000, and barley at 157,000,000 bushels against 109,000,000.

Due to adverse weather conditions over wide areas of the Prairie Provinces, the grain harvest has been extremely late this year, and the Bureau considered it desirable to make this special survey of the production of major prairie grain crops based on conditions on October 1 when a good proportion of the harvesting and threshing had been completed in most sections.

Combining the results of this special survey with the September estimates for the remaining provinces, total Canadian production of wheat this year is placed at 465,000,000 bushels, oats at 419,000,000 bushels, and barley at 171,000,000 bushels.

The October 1 estimates place Manitoba's wheat crop at 50,000,000 bushels, oats at 67,000,000 bushels, and barley at 54,000,000 bushels. The estimated production of wheat in Saskatchewan stands at 263,000,000 bushels, oats at 116,000,000, and barley at 47,000,000. Alberta's wheat crop is estimated at 117,000,000 bushels, oats at 72,000,000, and barley at 56,000,000 bushels.

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MILK PRODUCTION DOWN: Estimated quantity of milk produced on Canadian farms in August was one per cent lower than in the same month last year, the month's output amounting to 1,730,000,000 pounds as compared with 1,751,000,000. Advance statements received from dairy correspondents for September point to a sharp decline in milk production as compared with a year ago. During the first eight months of this year, estimated production totalled 11,536,000,000 pounds, a decline of 29,000,000 from the similar period of 1949.

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CHEMICAL INDUSTRIES DIRECTORY: The Bureau of Statistics has issued an 82-page directory of the chemical industries of Canada. The present volume, which is based on information available at the beginning of this year, contains an alphabetical list of chemicals and allied products made in Canada together with the names of Canadian head office addresses of the firms which produce them.

LABOUR FORCE ANALYSIS: Canada's civilian labour force has not kept pace during the last year with the expansion of its civilian non-institutional population.

According to the latest survey of the labour force by the Bureau of Statistics, Canada's total civilian non-institutional population 14 years of age and over increased 374,000 to 9,717,000 in the week ending August 19 this year (excluding Newfoundland, 139,000 to 9,482,000) from 9,343,000 a year earlier, when Newfoundland was not included in the quarterly survey. During this period the civilian labour force rose to 5,324,000, including 114,000 for Newfoundland, from 5,253,000, the total for the other nine provinces thus decreasing by 43,000.

Of the total labour force in August this year, the number with jobs totalled 5,221,000 (5,115,000 excluding Newfoundland) as compared to 5,155,000 in August last year, an increase of 66,000 including Newfoundland but a decrease of 40,000 excluding that Province. On the other hand, the number of persons without jobs and seeking work increased only to 103,000, including Newfoundland, from 98,000, and excluding Newfoundland was down to 95,000. The latter figure is the lowest for the nine Provinces shown in any of the surveys since September, 1948.

AGRICULTURAL LABOUR

Over the year, Canada's agricultural labour force -- which is not materially affected by the inclusion of Newfoundland -- declined by 85,000, from 1,238,000 to 1,153,000, decreases being shown in all regions. On the other hand, the non-agricultural labour force increased from 4,015,000 last year to 4,171,000 including Newfoundland, and to 4,065,000 excluding Newfoundland. There were increases in the latter in Ontario and the Prairie Provinces and decreases in the Maritime Provinces, Quebec and British Columbia.

This year's late spring and harvest, the Bureau's bulletin observes, may have distorted the year to year comparison of the agricultural labour force. But allowing for this factor, the stability of the labour force in the face of an increasing population suggests a greater than normal withdrawal or non-entry of students, married women and older persons. The "group without jobs and seeking work", that is, persons wholly unemployed, remains very small and consists for the most part of those caught between jobs.

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MR. SHINWELL HERE NOV. 3-6. When the Minister of National Defence, Mr. Claxton, leaves Washington to return to Ottawa on November 3, he will be accompanied by Right Hon. Emanuel Shinwell, Minister of Defence for the United Kingdom, and His Excellency W. Fockema-Andreae,

Secretary of State for War for The Netherlands. Both Ministers are visiting Canada on Mr. Claxton's invitation and will be in this country from November 3-6 inclusive.

Extensive itineraries in Ottawa, Montreal, Trenton and Kingston have been arranged for the visitors.

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PARTIALLY TO RESTORE B.W.I. MARKET: The Minister of Trade and Commerce, Mr. Howe, announced on October 30 a liberalized dollar import programme which will go into effect in the British West Indian colonies on January 1, 1951. This marks the successful conclusion of discussions with the United Kingdom authorities and the Colonial Governments, in consultation with the United States. The plan should result in substantial benefits to Canadian exporters whose markets in the British West Indies have been severely curtailed during the last three years.

The new import plan will insure that Canadian exporters can obtain import licences in the British West Indies for either 50% or 33-1/3% of their average exports to the individual colonies during the base period 1946-47-48. The percentage which will apply will depend upon the commodities involved.

TO RECOVER PORTION OF TRADE

Mr. Howe pointed out that during the base period Canadian sales to the West Indies reached a very high level, and the essential purpose of the plan is to provide Canadian exporters with an opportunity for recovering a portion of the export trade which existed at that time. The plan does not, however, guarantee a market, since the Canadian exporter must first find a willing buyer. Neither does it impose a ceiling, since those territories which are already licensing imports in excess of the guaranteed minimum level may continue to do so.

The procedure will be administered by the Export Division of the Department of Trade and Commerce, which is mailing full details of the plan to all Canadian firms known to be interested in trade with the British West Indies.

"It is particularly gratifying," Mr. Howe stated, "that I am able to announce this encouraging development in a market which has such close traditional ties with Canada, and which has long been of such great interest to businessmen both in the British West Indies and in this country. The way has been opened, but energetic sales efforts by Canadian exporters will still be required to insure that full advantage is taken of the opportunities provided."

The colonies concerned are Jamaica, Trinidad, Barbados, British Guiana, British Honduras, Leeward Islands, Windward Islands and the Bahamas.

CONTROL CREDIT BUYING TO CHECK PRICE RISE

FROM NOVEMBER 1: Instalment sales will be subject to regulation on and after November 1, 1950, the Minister of Finance, Mr. Abbott, announced on October 29.

After careful consideration the Government has decided to impose a moderate degree of restraint on the use of consumer credit as one means of helping to check inflationary pressures arising from mounting defence expenditures. The restrictions are intended to result in some change in existing consumer credit practices, but they are less severe than those which were imposed during wartime. They will be varied as required by changing circumstances.

Consumers are going into debt on an increasing scale in order to buy goods, thus adding to the upward pressure on prices, said Mr. Abbott. It is in the interests of all Canadians to check this tendency by appropriate restrictions.

THE CONSUMER CREDIT ACT

The new Consumer Credit Regulations are imposed under The Consumer Credit (Temporary Provisions) Act passed at the last session of Parliament.

For automobiles, motorcycles and other motor vehicles, the purchaser is required to pay 33-1/3% of the cash price at time of delivery. The value of trade-in may be counted as part of the down payment with respect to motor vehicle purchases.

When other goods are purchased on the instalment plan, the minimum down payment is 20%, but not less than \$5.00. If a trade-in is involved, the value of the trade-in is first to be deducted from the cash price and the 20% minimum down payment applied to the remainder.

The sale contract for all classes of goods must specify full payment in regular instalments in not more than 18 months. In no case is the instalment payment to be less than \$5.00 per month or \$1.25 per week. Special provisions are included to enable the terms of payment to be varied to meet the circumstances of farmers, fishermen, and others whose income is subject to seasonal fluctuation.

All goods are covered by the Regulations with certain exceptions. Some of the more important exceptions are real estate, stocks, bonds, securities, goods for professional or business use, buses, trucks, implements and

equipment used exclusively in farming and fishing, and building materials.

In order to provide for equality of treatment and to avoid circumvention of the restrictions on instalment sales, similar terms are applied to loans made by banks and other lending agencies for the purchase of goods. For example, a loan for the purchase of an automobile cannot exceed 66-2/3% of the cash price and must be repaid in regular instalments within 18 months.

It has been necessary to make special provision for the regulation of a comparatively new kind of consumer credit, known as revolving credit accounts, permanent budget accounts, budgetted charge accounts, etc. A person who buys goods under such a contract must undertake to pay at least one-sixth of the maximum permitted amount of indebtedness every month, or one twenty-sixth every week.

ORDINARY CHARGE ACCOUNTS

Ordinary charge accounts are not being regulated at the present time. This form of consumer credit is not usually subject to rapid fluctuations and has shown little change over the past few months. If necessary, of course, the powers contained in the Consumer Credit Act will be used to regulate payments for goods purchased on charge accounts. In particular, appropriate steps will be taken if attempts are made to delay payment for goods purchased on charge accounts in order to evade the regulations applying to instalment sales.

Mr. J.G. Bertrand, formerly on the staff of the Wartime Prices and Trade Board, with practical experience in the field of consumer credit, has been appointed as Administrator of Consumer Credit.

The Minister expressed appreciation of the help received from trade associations and officers of loan companies and finance companies in preparing the Regulations. "Insofar as possible we have tried to meet the views of those whose business operations will be affected by the Regulations. We have tried to make the Regulations simple and to reduce the amount of paper work to a minimum. I am confident that both business men and consumers will cooperate with the Government in applying the Regulations. It is in everyone's interest to check inflationary pressures at the source and to avoid the use of more drastic controls.

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VISCOUNT ALEXANDER STAYING ANOTHER YEAR:

The Prime Minister of Canada, Mr. Louis S. St. Laurent, announced on October 28 that His Majesty the King had been graciously pleased to approve the extension of the term of Field Marshal Viscount Alexander of Tunis, K.G., as Governor General of Canada for an additional

year from the spring of 1951. Mr. St. Laurent added that he was sure the people of Canada generally will share the gratification of his colleagues and himself that Lord and Lady Alexander have found it both pleasing and convenient to agree to this extension of their stay in Canada.

NORTH ATLANTIC TREATY ORGANIZATION MEETINGS

MR. CLAXTON'S PREVIEW: At the important meetings at Washington of the North Atlantic Treaty organization, participating nations are represented by their Defence Ministers and most of their Chiefs of Staff. The following is the partial text of a statement made by the Minister of National Defence, Mr. Claxton, at a Press Conference in Washington on October 27:

"Preparatory meetings began last week with the representatives of the Defence Ministers. They were attended by Mr. C.M. Drury, Canadian Deputy Minister of National Defence, who returned to Ottawa to report to me.

"The meeting of the Military Committee of the Chiefs of Staff began October 24. The Canadian delegation was headed by Lieutenant-General Charles Foulkes, Chief of the General Staff and Chairman of the Chiefs of Staff Committee, accompanied by Commodore R.E.S. Bidwell, for Vice-Admiral Harold Grant, Chief of the Naval Staff, and Air Marshal W.A. Curtis, Chief of the Air Staff.

MILITARY COMMITTEE MEETINGS

"Members of the Military Committee continued their meetings Thursday. The Defence Committee of the Defence Ministers will begin meeting on Saturday, October 28.

"Not directly related to the North Atlantic Treaty meetings, but of the utmost importance in Canadian defence preparations was the ceremony yesterday attended by the Minister of Trade and Commerce, Mr. Howe, and Hon. W.S. Symington, Chairman of the National Security Resources Board, to formalize the arrangements between the U.S. and Canada regarding defence procurement, which have been under discussion for some time. The principles underlying Canadian-U.S. industrial defence mobilization co-ordination were agreed upon during the visit to Ottawa last August of Hubert Howard, who was at that time Chairman of the Munitions Supply Board of the United States.

"After my arrival in Washington yesterday (October 26), I conferred with other members of the Canadian delegation and members of the Embassy staff.

"Today I had conferences successively with General George Marshal, U.S. Secretary of Defence; Hon. F.P. Matthews, U.S. Secretary of the Navy; Hon. Thomas K. Finletter, U.S. Secretary of the Air Force; and Hon. Frank J. Pace, Jr., Secretary of the Army.

"General Marshall is giving a dinner for

the Defence Ministers this evening.

"The Defence Committee meetings beginning Saturday are expected to last through Monday, when the Defence Ministers will meet the President.

"Next Tuesday, Wednesday and Thursday the Defence Ministers and Chiefs of Staff will visit U.S. defence establishments at Wright-Patterson Field, Dayton, Ohio; Aberdeen Proving Ground and Naval Proving Ground, Dahlgren, Va.

"The current North Atlantic Treaty meetings in Washington are dealing with questions referred by the Council of Foreign Ministers, which met in New York on September 26. The Defence Committee will: (1) Work out the organization of the integrated force for the defence of Western Europe; (2) Recommend the steps necessary to bring this force into being at the earliest possible date; (3) consider changes and simplifications required in the military structure of the North Atlantic Treaty organization; (4) consider means to ensure the necessary close-working relationship between the standing group and the member governments not represented on it.

SIGNED APRIL 4, 1949

"The North Atlantic Treaty was signed on April 4, 1949. Canada ratified it, May 3, 1949 - the first member nation to do so. The Treaty came into effect on August 24, 1949. The first meeting of the Defence Committee was held on October 5, 1949, in Washington; the second at Paris on December 1, 1949, and the third at The Hague on April 1, 1950. This is the fourth meeting.

"In addition to North Atlantic Treaty questions, I expect to deal with a number of other matters during my current visit to Washington. These include: (1) Participation of the Canadian Army Special Force in Korea; (2) Transfer of equipment to the Netherlands; (3) Arrangements for its replacement, partly by purchase from the United States; (4) Questions relative to joint defence of North America; (5) Further steps in standardization relating to aircraft, ships and weapons of all kinds; (6) Steps to be taken following the exchange of notes yesterday on Canadian-U.S. industrial defence mobilization; (7) Further organization of our Joint Staff Mission in Washington; (8) Further arrangements for co-operation in civil defence...."

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MR. A.R. MENZIES TO JAPAN: The Department of External Affairs announced on October 27 the appointment of Mr. Arthur R. Menzies as Head of the Canadian Liaison Mission in Japan. Mr. Menzies has been the Head of the American and Far Eastern Division of the Department of External Affairs since April 1, 1949. In Japan

he will succeed Mr. E.H. Norman, who returned to Canada a few days ago and is now on home leave.

Mr. Menzies was born in China on November 29, 1916. He studied at the Canadian Academy, Kobe, Japan, 1930-35. He graduated from Victoria College, University of Toronto, with the

degree of B. A. and from Harvard University with the degree of M. A.

Mr. Menzies joined the Department of External Affairs in July, 1940. He was posted to the Canadian Legation in Havana in April, 1945, as Second Secretary. He returned to Ottawa, and in May 1946, was appointed head of the Far Eastern section of the American and Far Eastern Division. In April, 1949, he became Head of that Division.

Mr. Menzies was a member of the delegation to the Meeting of Commonwealth Foreign Ministers in Colombo, Ceylon, in January, 1950

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EXPORTS TO U. S. AT PEAK: Canada's domestic exports to the United States in September reached the highest monthly value in the history of Canada-United States trade, with gains spread throughout the nine main commodity groups. There was a marked advance also in exports to Latin America and small increases to Europe and British Commonwealth countries in Oceania. These gains were only partly offset by declines in the value of shipments to the United Kingdom and the remaining Commonwealth and Foreign countries, the total to all countries rising substantially above the two previous months and the average for the previous eight months.

Merchandise exports to the United States in September were valued at \$192,790,000, up from \$167,100,000 in August and nearly 70 per cent above the value of \$113,701,000 in the corresponding month last year. The high September total this year may be due to some extent to the movement of shipments delayed by the nine-day rail strike in late August. The cumulative total for the first nine months of the year moved up 40 per cent to \$1,433,083,000 as against \$1,024,304,000 a year earlier. Shipments to the United States accounted for 69 per cent of the total to all countries in September as against 49 per cent a year ago.

General gains were shown in the value of commodities shipped to the United States in September. The largest increase in the month was in the wood and paper group which rose from \$53,876,000 to \$100,626,000 -- much the highest monthly level ever reached. Other groups which rose substantially were: non-ferrous metals from \$13,451,000 to \$24,632,000; animals and animal products from \$17,840,000 to \$23,888,000; and iron and products from \$6,408,000 to \$12,745,000.

Exports to the United Kingdom were about two-fifths lower in the month, being valued at \$30,439,000, as against \$56,948,000 a year earlier, and in the nine months were down to \$344,069,000 from \$525,989,000. Declines among the commodities were almost general during September. Only two groups -- non-ferrous metals, and non-metallic minerals -- moved to higher levels than last year, but the former group was considerably less than in August.

Shipments to Commonwealth countries in

America were down in the month to \$2,563,000 from \$3,505,000, and to those in Africa were lower at \$3,483,000 from \$4,942,000. The decline in the latter was due for the most part to a reduction in exports to the Union of South Africa. To the Asiatic group of Commonwealth countries the total fell from \$6,979,000 to \$2,594,000. India and Pakistan and the Federation of Malaya accounting for most of the decline. Shipments to Oceania rose in the month from \$4,080,000 to \$4,510,000, exports to Australia being higher and those to New Zealand lower.

Exports to Latin American countries rose again in September (for the third month in succession) from \$8,708,000 a year ago to \$16,441,000, shipments to all major markets being higher in value.

September exports to foreign countries in Europe rose from \$17,847,000 to \$18,205,000, marked gains to Belgium and Luxembourg, and Italy, and declines to France, Germany, Norway and Sweden being the principal changes. Shipments to other foreign countries were lower in the month at \$6,193,000 against \$7,810,000.

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MR. CHEVRIER TO CIVIL AVIATION INDUSTRY

The Minister of Transport, Mr. Chevrier, told a luncheon audience of the civil aviation industry at Montebello, Quebec, on October 31, that insofar as civil air transport is concerned, plans have already been blueprinted to "take care of problems as they arise" in the event of a national emergency.

Speaking before the largest gathering that an annual meeting of the Air Industries and Transport Association has ever attracted, Mr. Chevrier told the airlines operators that a national emergency would increase the demands on their facilities, and emphasized that maintenance of civil air services "would be essential to the national economy."

The Minister of Transport endeavoured to answer the many enquiries of the commercial air operators "who are wondering about the role of the airlines in relation to the growing emphasis on national defence". He attempted to answer such enquiries by indicating the lines which he thought would be followed.

"Transportation in time of war is of course a vital industry, air transport becomes exceedingly important as the speediest means of communication in the rapid tempo of a wartime economy. Demands on most airline and regular services would probably increase rather than diminish, and the maintenance of these services would be essential to the economy."

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CANADA SAVINGS BONDS: Reports for eleven days of selling show payroll savings purchases of Canada Savings Bonds surging ahead for a total of \$97,166,500. Average application by employees was higher than ever before at \$235.70.

CANADA AT THE UNITED NATIONS

MR. LAPOINTE ON SPAIN: On October 31, the United Nations ad hoc Political Committee approved a resolution which would allow Spain to belong to such special UN agencies as the World Health Organization and which also called for the rescinding of the 1946 UN recommendations that all member countries withdraw their Ambassadors or Ministers from Madrid. The vote in Committee on October 31 was 37 in favour of the resolution, including Canada, 10 against and 12 abstentions.

In discussing the resolution in the Committee on October 28, Mr. Hugues Lapointe, Representative of Canada, spoke in part as follows:

FREEDOM OF THOUGHT

"...Many of us, and I may confidently say the vast majority of us, do not subscribe to the totalitarian theory of government. We firmly believe that such a theory of government does not take into account the fundamental aspirations of mankind for freedom of thought and freedom of action. It is, in fact, a direct negation of the intrinsic worth of the individual human personality. Accordingly, we cherish the hope that the Spanish people may, by some measure of association with the democratic nations of the world, begin to enjoy more fully those indispensable freedoms which we have for so long been accustomed to regard as our basic birthright.

"But these are considerations which, it appears to the Canadian Delegation, lie outside the scope of the present draft resolution. It is intended neither to endorse nor to denounce the political system by which the people of Spain are being governed today..."

In discussing the operative sections of the resolution, Mr. Lapointe said, in part:

"...I need hardly emphasize that the act of accreditation of a head of mission is one initiated solely in the interests of the accrediting nation and does not carry with it any implication of approval of the domestic policy followed by the Government of the receiving State

"Furthermore, it should be obvious that the interests of the accrediting nation require most careful attention in the case where the Government of the receiving State is in general disfavour. The task of safe-guarding these

interests is merely rendered more difficult by depriving the Embassy or Legation of its accredited head, who alone has access to the highest officials of the receiving State....

"....Paragraph 2 of the joint draft resolution would rescind the recommendation that Spain be debarred from membership in international agencies established by or brought into relationship with the United Nations. When this recommendation was put to the vote in December 1946 the Canadian Delegation opposed it and the views of the Canadian Delegation in this respect have not changed.

"The Canadian Government has always considered that membership in the specialized agencies should be determined solely on the basis of whether or not the participation of a state would serve to extend the scope and increase the effectiveness of the activities of those agencies, and that each application for membership should be dealt with on its merits by the agency concerned.

DETRACTED FROM EFFICIENCY

"It appears to us that the decision of the General Assembly to exclude Spain from participation in the work of the specialized agencies has only served to restrict their fields of operation and, consequently, has detracted from their technical efficiency. It is obviously to the advantage of all states members of the United Nations that Spain should be enabled to accept the obligations and restraints imposed by membership, as well as the benefits which such membership would confer upon the Spanish people.

"In the view of the Canadian Delegation universality of membership should be the goal of the specialized agencies without reference to political considerations. By rescinding the recommendation by which Spain has been excluded from participation, the General Assembly would be endorsing the principle of universal membership and thereby promote the successful implementation of the objectives of the specialized agencies.

"In the light of the considerations I have endeavoured to put before this Committee, the Canadian Delegation will vote in favour of the draft resolution submitted jointly by eight delegations."

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There was a further increase in the Bureau's general wholesale price index to 173.6 in September from 168.5 in August, and 155.4 in September last year.

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Factory shipments of Canadian-made motor vehicles during the first nine months of this year reached a total of 294,203 units, ex-

ceeding the aggregate for the full year 1949 by 3,569 units, and rising 36 per cent over last year's nine-month total of 216,867 units.

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Carloadings on Canadian railways for the week ended October 21 climbed to a seasonal peak of 92,733 cars as compared with the revised total of 81,211 for the preceding week.

(Continued from p 1)

MR. PEARSON'S PEACE PROPOSALS AT UN

"If international discussions on political problems are not carefully prepared, and the preliminary diplomatic work not thoroughly done, they may merely underline and exacerbate disagreement and leave the position afterwards worse than before.

"We think that these considerations apply with particular force to consultation with the Soviet Union. We look back upon a long series of sterile discussions and negotiations with the Soviet Union in almost every international forum, whether it be the Security Council, the Council of Foreign Ministers, the Control Commission for Germany, the Far Eastern Commission, or any other body in which Soviet foreign policy has confronted all our efforts at compromise with a resolute and resounding 'nyet'.

BASIS FOR CONSULTATION

"I venture, therefore, to suggest a few criteria which must be fulfilled before there can be any hope whatever that such talks would lead to anything. In the first place there must be a sound basis for consultation agreed on in advance. There is not, for instance, such a basis when the Soviet Union proposes, as it recently has at the meeting in Prague, that the representatives of eighteen million Germans, chosen arbitrarily by a Communist machine, should be considered on an equality with the democratically-chosen representatives of forty-five million Western Germans.

"In the second place, there must be a real willingness to compromise and a genuine desire to find just solutions to problems. This does not mean that if one party does not get its own way from the very start, it is entitled to apply the methods of a Berlin blockade.

"In the third place, the consultations must not be simply occasions for propaganda where one party harangues audiences outside the Council chamber and publishes in its own press truncated and distorted versions of what took place.

"In the fourth place, no agreement between the Great Powers must be at the expense of the interests and freedoms of other nations which are not represented.

"Above all, we must not allow talk to become the delaying substitute for agreement. And we must not forget that peace talks - in an atmosphere of dissension and distrust - may encourage the foes of peace by disarming mentally, morally and physically those who believe in peace and desire to defend it...."

Mr. Pearson denied allegations that the United States was responsible for the fear and division existing in the world today, and declared:

"The truth is that the nations of the world outside the Soviet bloc know that the power of the United States will not be used for purposes of aggressive war. They know that the policies

of the United States - though we may not always support them or even approve them - are not designed to lead to war. If they were, they would soon isolate this country from the rest of the world.

"We in Canada know this country and its people well. We know them as good neighbours who respect the rights of others, who don't ask for or get automatic support from smaller countries through pressure or threats or promises. We know that they accept the fact that co-operation between large and smaller countries can only exist on a basis of mutual confidence and mutual respect. If the Soviet Government would permit its people to learn the truth about the United States instead of filling them with information only about the worst features of its life and culture, they would make a real contribution to the removal of that fear which is at present being instilled, directly and deliberately, in the minds and hearts of the Soviet people..."

CONCRETE EVIDENCE

"When Mr. Vishinsky talks about the peaceful aims of Communism and Soviet policy, we remain sceptical, and we find most of his evidence to support his case false and misleading. On our side, we have lots of concrete evidence to support the other view, of the aggressive, expansionist, war-like aims of Soviet and international communist policy.

"But let the facts speak for themselves. Let the map of Eastern Europe speak, let the thousands of exiles from countries that have lost their freedom speak, certainly those that are dead and in Siberia cannot speak. Let the Soviet 170 divisions and 30,000 tanks speak, confronted as they are by the few half-armed divisions in Western Europe. Let Yugoslavia, which knows something of Soviet policy and methods, and peace appeals, speak!..."

"...the free democracies are determined not to be deflected from their resolve to become stronger, not for aggressive purposes, not in order to force, at the point of the atom bomb, diplomatic decisions on the Soviet Union, but because they fear aggression and wish to put collective force behind their will for peace in order to deter and prevent it; because negotiations for peace have a better chance of succeeding if the parties, not accepting each other's views, respect at least each other's strength. Permanent peace can, of course, never be ensured by power alone; but power, on both sides, not merely on one, may give a breathing space in which to pause, reflect and improve relations. This course will be attacked as power politics, but power politics are often merely the politics of not being over-powered. So it is in this case.

"The Soviet resolution objects to this. It says disarm now, at once, by one-third. That point has already been suitably disposed of by previous speakers. I would merely ask one question. In any disarmament convention, would

the Soviet Government agree that the United Nations agency set up by the Convention should have the right to go anywhere, at any time, to ascertain, by its own methods, whether a state was, in fact, carrying out its obligations under the Convention. This is quite a different matter than promising to supply the United Nations with all relevant information, but unless it were accepted, no one in the present state of international relations would believe that a disarmament pledge was, in fact, being carried out. If the contrary were true, and we could merely accept each other's word, then trust and confidence would be so great that we wouldn't need any disarmament Convention at all.

"There is a special form of disarmament referred to in the Soviet resolution, the prohibition of the use of atomic energy for war.

ATOMIC DISARMAMENT

"There will be an opportunity later to discuss this vital question in greater detail, but I would like to say a few words about it now, as Mr. Vishinsky dealt with it at some length on Saturday, when he misinterpreted, and thereby misrepresented, the plan for atomic disarmament, which has been approved by the vast majority of the members of the United Nations. He attempted to show that the principle of international ownership of atomic facilities, or international trusteeship, as it really is, would give the United Nations atomic agency 'complete unbridled power', that it was designed solely to further the interests of United States monopolies; not merely to limit, but to destroy completely national sovereignty. That is a completely false picture of the meaning and motives of international atomic trusteeship, just as the picture of the Soviet Union as the last-ditch defender of the sovereignty of small nations, including, presumably, Yugoslavia, is false to the point of being ludicrous. How false it is can, and no doubt will, be shown by chapter and verse in our later discussions on this subject.

"Mr. Vishinsky has also stated in emphatic, if somewhat ambiguous, terms, the Soviet view on inspection and control.

"We all seem to agree now that there must be effective inspection and control. We should surely also be able to agree that once we have a satisfactory international convention which embodies these principles, atomic war must be prohibited. Aggressive war is, of course, the

supreme crime, but there should be a defence against that crime which would make atomic warfare unnecessary and therefore criminal; which would make it possible to abolish the atom bomb before it abolishes us.

"This can be done as soon as we have an international convention in effect. But that will not happen unless the convention has fool-proof provisions to ensure that the obligations undertaken are being carried out, and until the machinery for that purpose - United Nations machinery - is actually in operation. Mr. Vishinsky has recently tried to remove our doubts on one aspect, but only one aspect of this control, namely inspection. I would like to ask him this simple question. Does the U.S.S.R. admit that any international agreement should include among its provisions - again let me emphasize the word 'include' (for inspection itself is not enough) - should include provisions for a strict system of international inspection by which the officials of the international authority would have the right, at any time and with or without consent of the state concerned (a) of continuous inspection of any atomic energy installation or atomic plants of any kind whatever, and (b) to search, by any means, including observation by air, for undeclared atomic energy facilities wherever the international control authority has any reason to believe they exist? This atomic energy question of such critical importance to the fate of the whole world should be given further and urgent examination by the Atomic Energy Commission, to see if the gap between the two positions can be narrowed or even closed. The possibility of such examination was removed, however, when the Soviet representative walked out of that Commission on a totally irrelevant issue. One test of Soviet good faith in this matter would be its willingness to walk back again.

"The Soviet Delegate has recently stated - more than once - to the Committee that his country sincerely desires to co-operate with all states through the United Nations, with a view to strengthening the prospects for peace. All men of good will everywhere must welcome that statement.

"Such a statement itself, however, will not remove the fear that overhangs the world today. Unlike the Delegates of communist countries on this Committee, I do not suggest that all on one side is perfect and all on the other is rotten; or that one side must take all the steps towards the reconciliation of opposing views...."



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WEEK'S EVENTS IN REVIEW

SPECIAL FORCE PARTY TO KOREA: It was announced on October 23 that the advance party of 345 officers and men of the Canadian Army Special Force who sailed on October 21, in a United States transport are proceeding direct to Korea. This is a working party to prepare the way for the Special Force should any part of it be later sent to Korea.

With respect to the disposition of the Special Force, the Minister of National Defence, Mr. Claxton said: "The Force was offered to the United Nations for combat service in Korea and until information received from the United Nations makes it clear that it is not needed in Korea, it is not possible to decide that all or part of the Force shall not go there. The Government has from day to day been waiting for the information which will enable it to take its decision".

In reply to enquiries as to where the force would be if it did not go to Korea, Mr. Claxton said that this had been dealt with in the Prime Minister's statement of October 6, 1950. Mr. St. Laurent said: "It may be that circumstances will make it expedient to employ this Special Force in some other area and, if circumstances make such a course seem advisable in the interest of increasing the common security of ourselves and of our allies, the Government will not hesitate to recommend to Parliament that this force be employed elsewhere.... That might well mean its employment in Europe if that is what best fits into the joint plans when those joint plans have taken definite shape".

CANADA-U.S. ECONOMIC ACCORD: The Department of External Affairs released on October 26 the text of an exchange of notes, giving formal effect to the "Statement of Principles for Economic Co-operation" between Canada and the United States. The statement sets forth general principles for guidance of the two Governments in achieving a co-ordinated economic programme for their common defence.

The notes were signed in Washington by Mr. H.H. Wrong, Ambassador of Canada, and Mr. Dean Acheson, Secretary of State of the United States. The two chairmen of the Joint Canada - United States Industrial Mobilization Planning Committee, Mr. C.D. Howe, Minister of Trade and Commerce, and Mr. W. Stuart Symington, Chairman of the United States National Security Resources Board, were present at the signing.

The exchange of notes reaffirms the practice of the two countries followed during the Second World War when they co-operated closely under the terms of the Hyde Park Agreement of 1941. That agreement enabled officials of Canada and the United States to co-ordinate for mutual benefit their efforts in such matters as military procurement, economic controls and the use of raw materials.

The arrangements worked out under the Hyde Park Agreement proved so successful that when international conditions again appeared threatening, the Joint Canada - United States Industrial Mobilization Planning Committee was established on April 12, 1949, to exchange information in case joint action should again

IMPORTS, EXPORTS SHOW GAINS. Canada's foreign commodity trade was maintained at a high level in August in spite of the obstacles during the railway strike to the inward and outward movement of goods, imports being up moderately from the preceding month and substantially above August last year and exports showing small gains in both comparisons.

For the second successive month and the fifth this year, the value of merchandise imports in August exceeded the total value of domestic and foreign exports, producing an overall debit balance of \$6,600,000. This compares with the small trade deficit of \$2,700,000 in July and a credit balance of \$41,900,000 in August last year, making an aggregate deficit on foreign trade of \$14,300,000 for the first eight months of the year as against a credit balance of \$83,700,000 for January-August last year. An import balance was recorded in August trade with all leading customers and main geographical areas except the United Kingdom, European countries as a whole, and Commonwealth countries in Asia. This contrasts with a substantial export surplus a year ago to other Commonwealth countries as well as the United Kingdom, and also to other foreign countries.

U. S. IMPORTS INCREASE

August imports from the United States were up substantially from a year earlier but due to the sharply increased flow of Canadian shipments across the border, Canada had a debit balance of only \$2,500,000 in the month's trade with the United States as compared to a debit balance of \$26,600,000 a year earlier. For the eight months the debit balance was down sharply to \$90,000,000 from \$389,100,000 last year.

Exports to the United Kingdom were higher in value in August than July but were down sharply from last year, while imports were again above the 1949 value. The result was a balance of \$8,500,000 in Canada's favour compared to \$2,600,000 in July and \$37,100,000 in August, 1949, making a cumulative credit balance of \$61,100,000 for the eight months as against \$253,000,000 last year.

Imports from all countries in August were valued at \$267,300,000 as compared with \$259,500,000 in July and \$212,100,000 in August last year. In the eight months the aggregate value was \$1,979,800,000 as against \$1,852,400,000 a year earlier. The values of all nine commodity groups were higher in the month, while six were higher in the eight months. Domestic and foreign exports increased slightly in value to \$260,600,000 in the month compared with \$256,700,000 in July and \$254,000,000 a year ago, bringing the eight-month total to \$1,965,500,000 as against \$1,936,100,000.

With gains in all nine main commodity groups, the value of imports from the United States rose in the month to \$172,552,000 from \$143,533,000 a year earlier.

TO REVISE GOLD BONUS BASIS: The Minister of Mines and Technical Surveys, Dr. McCann, announced on October 25 that the Government had decided to recommend the continuation for one additional year on a revised basis of the gold bonus programme commenced in 1948 for a three-year period.

A bill will be introduced at the next session of Parliament to amend the Emergency Gold Mining Assistance Act to authorize its extension for the calendar year 1951 on the revised basis, as well as to provide for the additional assistance covering gold produced and sold during the last three months of 1950 that was announced by the Minister of Finance on September 30 last following his announcement that the Canadian dollar was being allowed to find its own level in terms of the American dollar.

The revised assistance payments will be based on a reduction in the rate of assistance and on a change in the base year.

NEW RATE OF ASSISTANCE

At the present time the rate of assistance per ounce is one-half the amount by which the average cost of production per ounce of gold produced from any mine in the year exceeds \$18, provided that in no case shall the rate exceed \$16 per ounce. Under the proposed amending legislation the rate of assistance will be one-half of the amount by which the average cost of production per ounce of gold produced from the mine exceeds \$22, provided that in no case shall the rate of assistance exceed \$11.50 per ounce.

Under the present legislation the assistance payable is calculated by applying the rate of assistance to the number of ounces of gold by which the number of ounces produced from the mine in the year and sold exceeds two-thirds of the number of ounces produced from the mine during the base year. In no case, however, is the assistance payable to be less than the amount calculated by applying the rate of assistance to one-third of the number of ounces of gold produced from the mine during the year and sold. In the case of new mines the rate of assistance applies to each ounce of gold produced during that part of a year that is also part of the mine's first year of production.

Under the proposed new legislation the number of ounces of gold produced by a mine to which the rate of assistance will apply will be determined in accordance with these same provisions. There will, however, be a change in the base year.

Under the present legislation, the base year for mines which were in production prior to July 1, 1946, was the year ending June 30, 1947, and for any mine coming into production on and after July 1, 1946, was its first year of production. Under the proposed legislation the base year for mines which were in production prior to January 1, 1948, will be the calendar year 1949, and for a new mine will be, as at present, the first year of production.

NATIONAL PRODUCTION DOUBLES IN DECADE

MR. ABBOTT'S WHITEFIELD ADDRESS. The following is an excerpt from the address of the Minister of Finance, Mr. Abbott, entitled, "Your Northern Neighbour," delivered before the Savings Banks' Association of Connecticut, at Whitefield, New Hampshire, October 16:

"...The picture of the present and the recent past in Canada is one of vigorous expansion and sustained prosperity. The volume and value of our production have multiplied at a rate more rapid than that of our population growth. In 1939, the gross national production of Canada was \$5 1/2 billion; by 1949 this had reached \$15.9 billion; it is now running at an annual rate of \$17 billion. In the short period of ten years we have tripled our output in money terms and just about doubled it in physical terms.

MORE BALANCED ECONOMY

"Even more significant than the gross changes in our production over the last decade are the changes which those years have wrought in the fabric of the economy. Before the war the primary raw material industries dominated our economic life. Our prosperity depended largely upon world demand for the products of our farms, forests and mines. Its primary industries are still very important to Canada and have shown considerable growth in the last decade. But the most spectacular advances have been made in the manufacturing and secondary industries and in the development of new sources of basic raw materials which ten years ago we produced in small quantities or did not produce at all. All this, of course, has contributed to a significant diversification of our economic life and to a more balanced economy.

"Let me cite a few examples. Over the decade our production of primary iron and steel has nearly tripled, our electrical equipment production has more than tripled, our aluminum production has grown nearly five-fold. In the first five months of 1950, we produced more electric refrigerators than in the calendar years 1938 and 1939 combined. We have in Canada today highly developed and efficient output of the more complex industrial products, including machine tools and aircraft, and we are in fact now selling some of the products of our manufacturing industry in the markets of the most highly industrialized countries of the world.

"Perhaps more dramatic and better known to you are some of our most recent discoveries of new basic raw materials -- oil in Alberta, high-grade iron ore at Steep Rock in Ontario, and much larger deposits in Northern Quebec and Labrador, titaniferous ore in Quebec, uranium and base metals in the northwest.

"Recent progress in the Alberta oil fields would appear to confirm the most optimistic view of the probable magnitude of oil reserves

in this field, -- and, I might also add, of natural gas reserves as well. Since the discovery of the Leduc field in November 1947, our estimated oil reserves have increased more than fifteen times. Last year they were more than doubled by the finding of several new major and minor fields. The current rate of exploratory activity as measured by the number of crews at work is second only to that of Texas. So far the efforts of the industry to find new oil fields has covered only a small fraction of Canada's 655,000 miles of prospective oil territory. According to the experts, we have a good chance of achieving national petroleum self-sufficiency within a few years. This, of course, has important implications for our international balance of payments as the importation of petroleum products last year cost us \$275 million. Even now the Alberta oil fields which are pro-rated down to much less than their optimum output are meeting the requirements of the Prairie Provinces and are already saving us about \$90 million each year in foreign exchange. A fortnight ago the new pipeline from Edmonton to Regina was opened. Within a few months this line will be completed to the northern tip of Lake Superior, at which time Alberta will be the major source of petroleum supplies for Ontario.

RECIPROCAL FLOW OF OIL

"It seems fair, however, that over the long term the most economic use of western oil will require that some of it be shipped to neighbouring areas in the United States while the large oil-using centres in Eastern Canada continue to obtain a portion of their supplies in the United States. It would, I think, be unfortunate if our two countries did anything to prevent this reciprocal flow of oil back and forth across the common boundary line and the more efficient utilization of North America's economic resources which that makes possible.

"The Steep Rock iron ore project has been exporting high-grade ore to the United States for some years and plans are now under way to raise the amount to 3 million tons by 1952. The Ungava-Labrador project offers much greater possibilities. The Hollinger-Hanna interests have already proven reserves in excess of 350 million tons and these are considered to be only a fraction of what the field will eventually yield. Six American steel companies have an option to participate in the financing and development of this \$200 million project. Tentative plans call for a railway from the ore body of the St. Lawrence River and the minimum scale of the enterprise involves the shipment of 10 million tons of ore annually. The project, however, will not reach its maximum utilization until the St. Lawrence Seaway has been completed. At that time the plans call for an annual movement of 20 million tons

through the waterways to the great steel-producing centres on the Great Lakes and in the mid-West. The vital importance of this seaway for strategic or defence purposes has been emphasized by recent international developments, but I believe its completion is no less essential if we are to achieve a more effective use of North America's natural resources for peacetime needs. I hope therefore that the necessary legislative authority will soon be forthcoming in order to permit an early start to be made on this important, joint Canada-United States project.

"Within the past fortnight I have seen newspaper comments referring to a report made recently by a leading iron and steel authority which appears to indicate the existence of another major iron ore body in the Labrador region, north of the Hollinger-Hanna concessions and only 75 miles from tidewater. This seems to suggest that the iron-bearing area which the Hollinger-Hanna interests have proved may extend for a considerable distance northward. Incidentally, I note for what it may be worth that one of the possible markets which the group behind this reported discovery appear to have in mind is your proposed New England steel mill, which I believe is sponsored by the New England Council.

"....I would like to say that to many observers the number and importance of the discoveries in the recent past seem to suggest that they may be merely the forerunners of many other similar discoveries which are likely to result from the application of the seismograph, the magnetometer and other modern gadgets, to the exploration of the great Laurentian Shield which forms so large a part of the Canadian hinterland...."

* * * *

RED INDIAN SQUADRON TO U.K.: Canada's famous Red Indian, (No. 421) Fighter Squadron of the Regular RCAF, based at Chatham, N.B., will move to the United Kingdom early next year, it has been announced by Air Force Headquarters.

The Minister of National Defence, Mr. Claxton, previously announced that plans were underway for an RCAF fighter squadron to make the overseas shift, but the unit had not been identified. The Minister stated that the RCAF squadron would undergo operational training in the United Kingdom. He said further squadrons were expected to engage in training there and possibly in other North Atlantic treaty countries, in rotation for periods of several months.

Air and ground crew members of the squadron will make the shift. Present plans call for the unit to leave its aircraft in Canada and be provided with fighters in the United Kingdom. At present 421 Squadron flies Vampire jets and it is expected that a similar type of aircraft will be provided on arrival overseas.

THE CANADIAN DEFENCE EFFORT: Canada is spending nearly a billion dollars, \$987 million to be exact, during the current fiscal year, including mutual aid and related defence expenditures. This is an increase of 80% over the pre-Korean defence budget and amounts to about 7% of the net national income. Last year Canada spent \$383 million on defence; the year before, defence expenditures were \$269 million. Including authorizations already made for future orders the defence budget is about \$1.6 billion; in terms of national income this would be equivalent to nearly \$30 billion in the United States.

Canada is spending 43.4% of its defence budget on the Air Force, 35.3% on the Army, 21.3% on the Navy.

What is the money being spent on?

An Active Force of approximately 70,000 men, and a Reserve Force of approximately 68,000 men, or 40% more than the pre-Korean figure, by next summer.

More than 300 new F86 (Sabre) jet fighter aircraft, 100 new Mustangs, more CF 100's (the "Canuck" - developed by Canadian research, finest all-weather, long-range jet fighter anywhere).

New U.S.-type equipment for two Army divisions and for Corps troops, to be obtained partly in Canada, partly in the United States.

Two additional destroyers on active service (previously in reserve); 12 new Sea Fury aircraft for the aircraft carrier "Magnificent", new guns, anti-submarine equipment and radar of the latest type for naval vessels.

What has Canada offered to the United Nations in Korea?

Three Canadian destroyers (in service since July);

a long-range R.C.A.F. transport squadron (in service since July);

the passenger facilities of the regular Canadian Pacific Air Lines Service between Vancouver and Tokyo (since August);

the Canadian Army Special Force of brigade strength (10,000 men), now partially trained and ready to train as a unit in November.

How has Canada helped its North Atlantic Allies?

Provision of free training facilities for 250 aircrew and Army personnel from North Atlantic countries; in addition, 200 RAF aircrew will be trained by the RCAF in Canada during 1951; mutual aid in various forms to the value of \$300,000,000; free Army equipment for two divisions and Corps troops.

What about production?

Canada is developing its defence industries to produce equipment for the nation and its allies.

By the end of the fiscal year the Canadian Armed Forces will have ordered for their own use alone more than \$500,000,000 worth of aircraft, electronics equipment, ships, motor vehicles, clothing and armament, and will be spending \$100,000,000 on construction. The rates of production of the CF 100 (Canuck) and the F86 aircraft have been doubled.

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MINISTER OF YUGOSLAVIA Dr. Rade Pribicevic, on October 20, presented to His Excellency the Governor General at Government House his Letter of Credence as Envoy Extraordinary and Minister Plenipotentiary of Yugoslavia to Canada.

Mr. Brooke Claxton, Acting Secretary of State for External Affairs, was present. Mr. Howard Measures, Chief of Protocol, presented Dr. Pribicevic to His Excellency the Governor General. Mr. Djuro F. Vukolic, Second Secretary, Lieutenant-Colonel Janko Susnjari, Military Attaché, and Mr. Slavko Zecevic, Second Secretary, accompanied the Minister of Yugoslavia.

Dr. Rade Pribicevic was born in 1896, at Dvor, Croatia, Yugoslavia. He graduated in the Faculty of Law, Zagreb, in the year 1920, and received his doctor's degree in the same year. He graduated in Political Science at Paris in 1923.

Before the Second World War, Dr. Pribicevic practised law in Zagreb and was also engaged in journalism. He took an active part in the political life of Yugoslavia, as a member of the Independent Democratic Party.

From 1943 to 1945, Dr. Pribicevic was a member of the National Committee of Yugoslavia and of the Temporary Government of Yugoslavia. From 1945 to 1946, he was Vice-President of the Government of the People's Republic of Croatia. He was Ambassador to Poland from 1947 until June 1950.

Dr. Pribicevic is married and has a son Novak, 12 years of age. He holds the Orders of National Liberation of Yugoslavia and Polonia Restituta.

* * * *

PREPARE FOR SEAWAYS ACTION: Formation of a new directorate in the Department of Transport responsible for the planning and development of Special Projects, was announced on October 19 by the Minister of Transport, Mr. Chevrier. The new Special Projects Branch unites the General Engineering services and the Engineering Design and Capital Construction

services of the Department under Guy A. Lindsay, who was engineer in charge. W.L. Mackenzie who was senior bridge and structural engineer of the Department has been appointed Assistant Director of the new Branch.

The Minister stated that it was essential to strengthen the engineering services of the Department in view of the possibilities of Canada being called upon at this time to take some decisive action in connection with the development of the St. Lawrence Waterways. Mr. Lindsay has been closely associated with the St. Lawrence Waterways development since 1920 and is the chairman of the Canadian Advisory Committee on the St. Lawrence Waterways Plan.

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MR. CLAXTON TO WASHINGTON N.A.T.O. MEETING:

The Minister of National Defence, Mr. Claxton, will represent Canada at the meeting of the Defence Committee of the North Atlantic Treaty Organization in Washington October 28, it was announced on October 21.

The Defence Committee, which consists of the defence Ministers of the twelve nations, has been requested by the North Atlantic Council to work out the organization of the integrated force for the defence of Western Europe. It has also been asked to recommend the steps necessary to bring this force into being at the earliest possible date.

The Council has also requested the Defence Committee to consider changes and simplifications required in the military structure of the North Atlantic Treaty Organization and related military organizations. It will also consider how best to ensure the necessary close-working relationship between the Standing Group and the member governments not represented on it.

Mr. Claxton will be accompanied by Lieutenant-General Charles Foulkes, CB, CBE, DSO, the Chairman of the Canadian Chiefs of Staff Committee, who is the Canadian representative on the North Atlantic Military Committee. The other members of the Canadian Delegation will be Hume Wrong, the Canadian Ambassador in Washington; A.D.P. Heeney, Under-Secretary of State for External Affairs; C.M. Drury, Deputy Minister of National Defence; Air Marshal W.A. Curtis, Chief of the Air Staff; Vice-Admiral H.T.W. Grant, Chief of the Naval Staff; Major-General H.F. Clark, Air Vice-Marshal H.L. Campbell and Brigadier J.D.B. Smith, as well as other officers of the Departments of National Defence and External Affairs.

At a meeting of the Organization's Military Committee on October 24, Canada will be represented by General Foulkes, Air Marshal Curtis, Commodore R.W. Bidwell, Major-General Clark, Air Vice Marshal Campbell and Brigadier Smith.

GROSS NATIONAL PRODUCT AT PEAK OF \$16,074,000,000

4 PER CENT RISE IN 1949: The gross national product of Canada reached an all-time peak total of \$16,974 million in 1949, showing a rise of four per cent from \$15,503 million in 1948, according to the annual report "National Accounts, Income and Expenditure, 1942-49," released on October 20 by the Bureau of Statistics. At the same time, national income rose by the same percentage to \$12,917 million from \$12,474 million. These figures exclude Newfoundland.

The rise in gross national product was partly the result of an advance in real production, and partly due to rising prices. With the effect of price increases removed there was a gain of approximately two per cent in the total volume of output. During the post-war years from 1946 to 1949 the value of total output, measured in current dollars, increased by 34 per cent. The rise in value was particularly rapid during 1947 and 1948 -- the years of greatest price increases. After making adjustments for price changes the increase in the real output of goods and services shows a steady gain of approximately two per cent each year since 1946

RISE IN SALARIES

In the case of national income, the increase was mainly due to a rise in salaries, wages, and supplementary labour income, which advanced by \$543 million from \$7,139 million in 1948 to \$7,682 million in 1949. Net income of farm operators fell four per cent from \$1,567 million to \$1,509 million, the decline being mainly due to a lower volume of physical production. Investment income declined from \$2,379 million in 1948 to \$2,283 million, a decline of four per cent, which was attributable to a decrease in corporation profits.

Gross national expenditure data indicate an increase in personal expenditure on consumer goods and services from \$10,151 million in 1948 to \$10,956 million in 1949. After correction for price changes this represents an increase of three per cent in real volume of consumer goods and services purchased. Government expenditure increased by \$291 million, from \$1,797 million in 1948 to \$2,088 million in 1949, principally due to larger national defence expenditures and larger outlays by the provincial and municipal governments on public health, hospital care, maintenance of highways, education and certain capital expenditures.

Gross home investment declined \$342 million from \$3,272 million in 1948 to \$2,930 million in 1949, as a result of a drop in investment in inventories. Investment in housing rose substantially, from \$647 million in 1948 to \$753 million in 1949, an increase of 16 per cent, while investment in plant and equipment increased slightly from \$2,016 million to \$2,076 million. Inventories gained by \$609 million in 1948, indicative of the high post-war rate of inventory accumulation but, in 1949 the amount of increase was only \$101 million.

Total exports of goods and services were down slightly from 1948 to 1949 -- by \$67 million -- while imports increased by \$189 million, leaving a net foreign balance (excess of exports over imports) of \$162 million in 1949 compared with \$418 million in 1948.

PERSONAL EXPENDITURE

In 1949, personal expenditure on consumer goods and services accounted for 68 per cent of gross national expenditure, compared with 54 per cent in 1944, the peak year of war production. Government expenditures accounted for 13 per cent in 1949 compared with 42 per cent in 1944, and gross home investment in housing, plant, equipment and inventories for 18 per cent of gross national expenditure in 1949 compared with six per cent in 1944. These changes in utilization of output reflect the differences between an economy fully geared to war and the economy of 1949.

Personal income amounted to \$12,465 million in 1949, a gain of five per cent over 1948. The distribution of personal income by provinces indicated that in 1949 approximately 39 per cent of the Canadian total was received in Ontario, 25 per cent in Quebec, 19 per cent in the Prairie Provinces, 10 per cent in British Columbia, and seven per cent in the Maritimes.

The increased importance of government transfer payments as an element of the personal income total is worthy of note in 1949 compared with 1944. In 1949, approximately seven per cent of personal income was received in the form of government transfer payments (excluding interest), while in 1944 government transfer payments (excluding interest) amounted to only three per cent of the total. The increase by 1949 was mainly the result of the introduction of family allowances in 1945 and increases in unemployment insurance benefits, old-age pension payments, and veteran's benefits.

SEPTEMBER EXPORTS INCREASE TO \$279,100,000

\$192,800,000 TO U.S.: A summary of foreign trade figures for September released by the Bureau of Statistics shows an increase in Canada's total domestic exports to \$279,100,000 from \$228,400,000 in September, 1949, and a rise in estimated total imports to \$280,400,000 compared to \$221,600,000. Domestic exports to the United States rose to \$192,800,000 as against \$113,700,000, but to the United Kingdom declined to \$30,400,000 compared to \$56,900,000. Estimated imports from the United

States amounted to \$179,400,000 compared to \$158,000,000, and from the United Kingdom to \$36,400,000 as against \$21,900,000.

The import figures are only preliminary and therefore subject to revision. Final and detailed statistics of imports will not be available for about three weeks. Those for exports will be issued in a few days.

The preliminary figures on the month's foreign trade are summarized in the following table:-

	<u>September, 1949</u>		<u>September, 1950</u>	
	<u>Domestic</u>	<u>Foreign</u>	<u>Domestic</u>	<u>Foreign</u>
<i>(Millions of Dollars)</i>				
<u>Exports:-</u>				
United Kingdom	56.9	0.5	30.4	0.1
Other Commonwealth countries ..	20.8	0.1	13.9	0.1
United States	113.7	1.7	192.8	3.1
Other foreign countries	37.0	0.2	42.0	0.3
Total, all countries	228.4	2.5	279.1	3.6

	<u>September, 1949</u>	<u>September, 1950*</u>
	<u>Imports:-</u>	
United Kingdom	21.9	36.4
Other Commonwealth countries ..	15.3	22.9
United States	158.0	179.4
Other foreign countries	26.4	41.7
Total, all countries	221.6	280.4

* Estimate only. Subject to revision.

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REVIEW OF 1949 FOREIGN TRADE: Canada's per capita foreign trade in 1949 in current dollars was slightly lower than in the preceding year, but more than three times as large as in 1938, according to the review of foreign trade for 1949 released Oct. 18 by the Bureau of Statistics. In terms of constant Canadian 1948 dollars the decline from 1948 in per capita trade was slightly larger than in current dollars, due to a rise of about three per cent in average prices of both exports and imports. In the 1938-1949 comparison there was an advance of about 41.5 per cent.

Total foreign trade per capita on a current dollar basis in 1949 amounted to \$426.87 as compared with \$446.09 in 1948, and \$136.85 in 1938. In terms of constant 1948 dollars the 1949 value of trade per capita was \$413.84 as compared with \$446.09 in 1948, and \$292.53 in 1938.

Per capita domestic exports on a current basis in 1949 were valued at \$220.90 as against

\$238.72 in 1948, and \$75.11 in 1938, while on a constant 1948 dollar basis the value was \$214.26 as against \$238.72 in 1948, and \$159.46 in 1938.

Imports on a per capita basis in current dollars in 1949 were valued at \$203.79 as compared with \$204.68 in 1948, and \$60.75 in 1938, and on a constant 1948 dollar basis the value was \$197.47 as against \$204.68 in 1948, and \$130.92 in 1938.

* * * * *

CHAMPION MINE KILLER: With the Canadian Destroyers, off Korea -- A Canadian destroyer, H.M.C.S. Sioux, is laying claim to the unofficial title of champion mine killer of the United Nations destroyer fleet. The Sioux, commanded by Cdr. Paul D. Taylor, of Victoria, has knocked off eight mines in recent weeks, four during the Inchon invasion period and another four in the past few days.

BUSINESS

NATIONAL NOTES

Operating revenues of Canadian railways climbed to a new record for July, standing at \$85,115,749, an increase of \$12,894,007 or 18 per cent over July last year. Operating expenses, while heavier, rose by only five per cent or \$3,071,909 to \$71,727,505, a record exceeded only by July, 1948, which included over \$10,000,000 in back pay. Net operating revenue was \$13,388,244 for July, an advance of \$9,822,098.

The gross factory value of products manufactured by Canada's motor vehicle industry reached an all-time peak value of \$485,757,000 in 1949 as compared with \$398,057,000 in the preceding year, an increase of nearly 22 per cent. The number of cars, trucks and buses made during the year was 292,584 -- also a record high -- as compared with 263,760 in 1948.

The Canadian aircraft industry turned out aircraft and parts to the value of \$61,099,075 in 1949, up 34 per cent from the 1948 total of \$45,600,172. Assembly plants accounted for \$55,277,272 of the 1949 aggregate as compared with \$40,777,948 a year earlier, while the value of products of parts plants only was \$5,821,803 compared with \$4,822,224.

Dollar volume of wholesale sales in Canada in August -- excluding Newfoundland -- was 18 per cent higher than in July, and 17 per cent above August, 1949. Cumulative sales for the first eight months of the year were four per cent above the comparable period of 1949. The general unadjusted index of wholesale sales for the nine lines of trade covered by this monthly survey, on the base average for 1935-39=100, stood at 369.5 for August as compared with 314.1 for July and 317.2 for August last year.

Production of coal in September amounted to 1,495,000 tons, showing a decline of 14 per cent from the September, 1949 output of 1,747,084 tons, according to preliminary figures. Cumulative total for the first nine months of this year was 13,282,068 tons, slightly below the 13,283,585 tons produced in the similar period of 1949.

CONSTRUCTION CONSULTANT: The Minister of Trade and Commerce, Mr. Howe, on October 18, announced the appointment of Richard G. Johnson, Ottawa, as construction consultant for the Canadian Commercial Corporation. Mr. Johnson's services have been made available on loan by the Canadian Construction Association, of which he is General Manager.

The appointment of a new air attaché to Czechoslovakia has been announced by R.C.A.F. headquarters. Group Captain M.G. Doyle, 37, of Jacquet River, N.B., will replace G/C Robert A. Cameron, of Oak Lake, Man.; in Prague. G/C Cameron, 40, has returned to Canada and will take command of R.C.A.F. station Rockcliffe, Ontario.

The Minister of National Defence, Mr. Claxton, has announced new opportunities for potential Navy, Army and Air Force officers. The move is made to fill officer vacancies caused by a forty per cent expansion in the three services. Men in the ranks are to be screened for possible officer material and officer training in the Universities is to be expanded. Men picked from the ranks will get University training or technical training in trades. University officer training is to be widened to include non-veterans and students in engineering and science who wish to work with Canada's Defence Research Board.

Brig. John M. Rockingham, CBE, DSO and bar, commander of the Canadian Army Special Force, has been awarded the Efficiency Decoration for long service. Army Headquarters has announced.

Robert G. Newton, U.K. drama expert, has been selected to adjudicate the 1951 Regional Festivals by the Dominion Drama Festival.

An R.C.A.F. North Star was loaded with combat troops and given an official send-off by U.S. Military and Governmental figures on October 24 at McChord Field, near Tacoma, Washington, in observance of the fifth annual United Nations Week. Among those who took part in the ceremony were the Governor of the State of Washington, the Mayor of Tacoma, and high ranking officers of the USAF and the Military Air Transport System which is directing the huge U.N. airlift.

CBC TRANSMISSIONS TO RUSSIA: The International Service of the Canadian Broadcasting Corporation will shortly start regular daily transmissions to Soviet Russia. This will add Russian to the 12 languages in which the Service is now broadcasting. These transmissions will add a Canadian contribution to the broadcasting into the USSR being carried on by the BBC and the Voice of America.

Some adjustments in the programme schedules of the International Service will be necessary, but it is felt that this new additional means of bringing information from the outside world to the people of Russia fully justifies the changes.

The Russian Service will begin as soon as the necessary language staff has been assembled and trained. At present two half-hour periods daily are contemplated.

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INCREASED DEMAND FOR LABOUR: Employment conditions at the end of September contrasted sharply with the situation last year at this time. This September, labour demand continued to increase throughout the month, particularly in the forest industries and in manufacturing. The Minister of Labour, Mr. Gregg, announced on October 23. Last year, there were few job openings in manufacturing, and the labour requirements of the logging industry were at their lowest postwar level. Applications for employment at National Employment Service offices this September have been steadily declining; in the same month last year, the labour surplus was growing, and registrations at employment offices increased by 6,000. On September 28, 1950, there were 133,100 registrations for employment on hand, 18,500 below the total at the first of the month, and 10,000 below the total on the corresponding date in 1949.

SKILLED WORKERS

The demand for skilled workers in the metal trades is particularly strong. Vacancies reported to local employment offices in manufacturing areas for such occupations as machinists, tool and die makers and welders exceed application from qualified workers. These new job openings occur at a time of peak labour requirements in agriculture and construction. This increase in labour demand in manufacturing is the result of the accelerated defence programme, at a time when production of automobiles, refrigerators and other consumer durables with a large steel content is continuing to expand. Employment is also increasing in manufacturing industries outside the iron and steel group, among them sawmills, canning factories and some textile plants. Many primary textile firms which until recently were on the short work week have returned to full time operations.

Employment in the construction industry is at very high levels, and more workers are being hired in an effort to advance projects as far as possible before the cold weather sets in.

Base metal mines have increased their output in response to the heavy demand in both Canada and the United States

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(Cont'd. from p. 1) **CANADA-U.S. ECONOMIC ACCORD**

become necessary. At its last meeting on August 8, 1950, in Ottawa, the Committee drew up the Statement of Principles which has now been confirmed by both Governments

SUGGESTS A P.N. NAVIES VISIT CANADA: A suggestion by Rear-Admiral E.R. Mainguy, during H.M.C.S. Magnificent's visit in Rotterdam over the past weekend, that navies of the Atlantic Pact Nations might come to Halifax in the not too far distant future for combined exercises in Atlantic waters was received enthusiastically in Netherlands naval circles.

The suggestion was made at a press conference on board the Magnificent and had no official label tagged to it, but the newsmen received it as an excellent idea. Admiral Mainguy told reporters he hoped units of the Dutch Navy would find it possible to make a return visit to Canada and went on to say he would like to see all Atlantic Pact Fleets get together for a work-out. Halifax, he said, would make an ideal base for combined exercises

During the Magnificent's five-day stay in Rotterdam, her 1,200 officers and men were welcomed sincerely by the Hollanders, who hold a deep love for Canadians which stems back to the Canadian Army's role in the country's liberation in the Second World War. At Amsterdam the destroyers Huron and Micmac were equally received with open arms.

The Netherlands visits set a precedent in that senior and commanding officers of the squadron were received by the country's royalty.

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PASSAMAQUODDY REPORT: In a report issued on October 25, the International Joint Commission states that additional information is required before it can reach a conclusion as to whether any one of the plans for the development of tidal power at Passamaquoddy Bay, in Maine and New Brunswick, is practicable, and is desirable from the point of view of public convenience and necessity.

Answering the respective questions under reference, the Commission reports, first, that the additional information is required; second, that the cost of the additional investigation is estimated at \$3,900,000, or possibly less; and, third, that the costs of the investigation should be divided in proportion to the benefits each country would derive from the project.

The Commission said, in part:

"The critical feature, in making use of the large quantities of energy in the tides at Passamaquoddy Bay which is potentially available for conversion into electric energy, lies in the dams and as to whether or not these dams can in fact be built at the particular locations required and at a cost which is economically practicable

"The question of the practicability of the construction of these dams depends principally on the foundation conditions at the respective sites. Adequate information in this connection to permit conclusions to be reached is not at present available."

UN ANNIVERSARY DAY

MR. ST. LAURENT'S TRIBUTE TO UN: The Prime Minister, Mr. St. Laurent, on October 23, sent the following telegram to the Secretary-General of the United Nations, Mr. Trygve Lie, to mark the occasion of United Nations Day, October 24:

"The fifth anniversary of the coming into being of the United Nations marks the end of another year of progress for the United Nations. The goals of universal peace and prosperity still lie ahead but it is the firm conviction of the Government and people of Canada that these goals can be approached by steadily enlarging the area of international co-operation and goodwill. Support for the ideals, purposes and activities of the United Nations remains a foundation of Canadian policy.

"I should like to take this opportunity on behalf of the people of Canada of paying tribute to the great contribution that you have made towards the fulfilment of the promise of the United Nations Charter. May I also send my own personal greeting to you and to the members of the United Nations staff."

ANNIVERSARY DAY STATEMENT

On October 24, United Nations Day, Mr. St. Laurent issued the following statement in Ottawa:

"Today, peoples of all nations are commemorating the fifth anniversary of the coming into being of the United Nations, an experiment in international co-operation unique in the history of the world. This anniversary is of special significance, since it comes during a critical period of test for the United Nations. In Korea, during the past few months, the principle of collective security under the United Nations Charter has been successfully maintained by the use of forces from member countries acting in accordance with the Charter. Meeting this callous and deliberate aggression has given heart to threatened people in other areas. A constructive settlement in Korea, the basis of which has already been laid in the United Nations, will mark a most encouraging step in the search for security and peace.

"In other fields the area of international co-operation grows steadily larger. The United Nations and its Specialized Agencies are expanding their efforts to raise living standards, improve world health, and open new avenues of trade. Many great tasks lie ahead, of course. Poverty, sickness and ignorance still prevail in many areas, offending the collective conscience of the world and breeding the mistrust and unrest which so often lead to

war. It has been a disappointment that certain countries have refused to associate themselves with this work of constructing a better world. Canada, however, has supported, and will continue to support these United Nations activities."

On October 24 the United Nations flag flew for the first time from Parliament Hill in Ottawa.

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CANADA TO ARM NETHERLANDS DIVISION: The Cabinet, on October 25, approved immediate shipment to The Netherlands of the armament equipment for an infantry division. The amount involved represents a portion of the \$300,000,000 appropriated by Parliament for aid to Canada's European partners in the North Atlantic Treaty Organization.

Most of the shipment being transferred to The Netherlands has been in storage at No. 25 Ordnance Depot at Longue Pointe, Quebec. The equipment is in first-class order and most of it is crated or packed and ready to go. In some cases modifications to bring equipment up to latest design are being made in Canada before shipment.

The Minister of National Defence, Mr. Claxton, said the transfer was decided on by Cabinet following advice received from the North Atlantic Treaty Organization. Mr. Claxton first announced the offer in Parliament last September.

AMBASSADOR'S APPRECIATION

"An important consideration was that following the war Canada sold The Netherlands the equipment for two divisions to offset the occupational expenses due the Dutch Government," said Mr. Claxton. "The Dutch forces are consequently familiar with this type of equipment and maintenance; supply and spare parts problems are simplified. I have already heard from The Netherlands Ambassador here how appreciative they are. This forms another bond between our two friendly countries."

Mr. Claxton said that arrangements were being worked out with the United States Government for purchase of equivalent equipment of U.S. design. Where it was economical to do so, this might be made in Canada, but the quantities we needed would generally not be sufficient to justify the delay of tooling up in Canada and the higher unit costs of manufacture of smaller quantities.

As soon as these arrangements have been satisfactorily completed and the shipment is under way, Canada would make a similar offer regarding the equipment of another division, Mr. Claxton added.

It is expected that the shipment will be made in two vessels, the first to leave Montreal by mid-November and the other from Montreal or Halifax at a later date.



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WEEK'S EVENTS IN REVIEW

MR. PEARSON ON UNITED ACTION FOR PEACE:
The following is the partial text of the statement given by the Secretary of State for External Affairs, Mr. Pearson, Chairman of the Canadian Delegation, in Committee I of the General Assembly of the United Nations on the question of the resolution, "United Action for Peace", October 11:

"Yesterday the leader of the Soviet Union Delegation in his usual vigorous, and indeed entertaining fashion, gave the views of his Delegation on some general questions arising out of the draft resolution under discussion. During that statement he wandered rather far afield - and I, of course, have no complaint on that score.

"Among other things, he told us that it was time to stop repeating the nonsense that there could possibly be anything for other countries to fear from Soviet policy. Mr. Vishinsky once again implored us to rely on the pacific answers of the leader of his Government given to the questions of a United States journalist some years ago, answers which were meant of course, for external consumption and which have been subsequently contradicted by other words and, more significantly, by actions of the Soviet Union Government.

"In the last analysis, of course, policy and action are the only valid proofs of pacific intention, and we shall wait with eagerness for that kind of proof. Verbal arguments, one

way or another, on such matters in debates of this kind seem to me to be a waste of time.

"Mr. Vishinsky then went on to give us his favourite lecture on the importance of the principle of unanimity among the permanent members of the Security Council, and the iniquity of those who would destroy that principle. But what is the virtue of unanimity when it can be achieved only by agreement to do nothing? It is easy to be unanimous on the basis of zero. The fact is of course, that what is at issue here is not the principle of unanimity or the veto but the abuse of that principle, the abuse of the veto which has frustrated the work of the Security Council, and also the impossibility of securing unanimity on the basis of constructive co-operation and compromise.

"The leader of the Soviet Union Delegation also explained yesterday and at some length that the veto was the only weapon which his Government had in its possession to protect itself from the wrong action of the majority of the Security Council from, as he called it, the 'method of dictat', exercised by the members of what he termed the 'Anglo-American camp'.

"A plea for the protection of minority rights must of course always command sympathy, especially from a Canadian, more sympathy in fact than Mr. Vishinsky himself displayed for the minority when he was a chairman of a con-

SECURITY TRANSACTIONS: Security transactions between Canada and other countries in July resulted in a sales balance of \$10,200,000, the highest monthly sales balance since June, 1946. This net inflow of capital was greater than in the first six months of this year or in the whole of 1949. Transactions in 1947 and 1948 produced net outflows of capital.

This inflow in July chiefly took the form of increased sales of Canadian bonds to United States investors and larger liquidations of Canadian holdings of United States securities. At the same time, repurchases of Canadian securities from the United Kingdom were less than in earlier months.

JULY TRANSACTIONS

As a consequence of July transactions, cumulative net sales to all countries at the end of seven months were increased to \$19,400,000, with net sales of \$30,500,000 to the United States. This situation stands in contrast to that which prevailed at the end of the corresponding period last year, when cumulative sales and purchases were almost evenly divided in a lower volume of trading.

Net sales to the United States increased in July to \$10,600,000, of which more than half was made up of net sales of Canadian securities and slightly less than half of United States securities. Total sales to the United States at \$26,800,000 were higher than in previous months this year except March and June. Purchases dropped sharply to \$16,200,000 from \$27,100,000 in June, with notable declines in purchases of Canadian bonds and United States stocks. In these two groups of securities there were the largest expansions in sales and the resulting sales balances were the principal form of capital inflow in July. There was also a small sales balance of Canadian stocks in the United States in contrast to a purchase balance in the previous month.

In security transactions with the United Kingdom there was an increase in sales but a sharp decrease in purchases, the purchase balance dropping from \$3,700,000 in the previous month to \$800,000, the lowest level since August, 1949. Sales to other countries amounted to \$800,000, and purchases to \$400,000, which gave rise to a sales balance of \$400,000.

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FIRST MUSTANG FIGHTERS: The RCAF is to take delivery within the next few days of the first five of the 100 Mustang fighters purchased in the United States, it was announced on October 12 by Air Force Headquarters. Purchase of the piston-driven fighters was announced recently. Air force officials said the aircraft were being obtained as an interim measure pending availability of jet fighters being built in Canada.

The five Mustangs will be picked up at Burbank, California, where they have been undergoing complete overhauls, and will be

flown by RCAF ferry pilots to Rivers, Man., via Great Falls, Mont. An RCAF Dakota carrying the ferry pilots left Trenton, Ont. this week and the aircraft are expected to arrive at Rivers within the next few days.

The initial group of aircraft will equip a Mustang conversion unit being formed at the Joint Air Training Centre at Rivers. Purpose of the unit is to familiarize RCAF pilots on the aircraft, which has had limited use by the air force since the war's end. Later deliveries of Mustangs will be used to form a new fighter squadron of the Regular RCAF at Uplands airport, Ottawa, and will also go to various Auxiliary Squadrons.

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REFINED PETROLEUM DOWN: Canadian output of refined petroleum products in May was down slightly from a year earlier, while the total for the five months ending May advanced 13 per cent. Receipts of crude oil in the month were four per cent higher, and in the cumulative period were up 5.5 per cent.

The month's output amounted to 8,531,772 barrels as compared with 8,608,558 in May last year, and for the first five months the aggregate was 36,483,683 barrels as against 32,323,393 in the like period of 1949. Receipts of crude oil in May amounted to 9,805,309 barrels and in the cumulative period totalled 38,264,874 barrels as compared with 9,426,573 and 36,176,331 for the respective periods last year.

Of the crude petroleum received during May this year 1,867,823 barrels came from Canadian sources and 7,928,486 barrels were imported.

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WEEKLY WAGES AT NEW PEAK: Average weekly wages paid by leading Canadian manufacturers to hourly-rated wage-earners at August 1 advanced to a new peak figure of \$44.29 from \$44.16 at July 1 and \$41.40 on August 1 last year. Hourly earnings rose to 104.2 cents from 103.9 cents at July 1, and 98.8 cents a year earlier.

Incurable manufactured goods, weekly earnings averaged \$48.04 as compared with \$47.96 at July 1 and \$44.84 a year ago, and the hourly rate was 112.5 cents compared with 111.8 in July, and 106.5 last year.

Weekly earnings in non-durable goods stood at \$40.39 for both August and July this year, but were above last year's August figure of \$37.99. Hourly rate was 95.7 cents in July and August this year, and 91.1 cents a year ago.

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REFRESHER FLYING TRAINING: The RCAF's Chipmunk refresher flying training scheme, designed to maintain a pool of trained veteran flyers for use as wartime RCAF staff pilots and flying instructors, was officially launched at Uplands airport, Ottawa, Sunday afternoon, October 15.

CANADIAN FORCES' DECORATION TO 148: The award of the Canadian Forces' Decoration to 148 R.C.A.F. officers and other ranks was announced on October 16 by Air Force Headquarters. Both serving and retired personnel are included in the awards. The decoration was approved this summer and this is its first award to Air Force personnel.

The Canadian Forces' Decoration is awarded for 12 years' service in either the Permanent or Reserve Forces, and is the first purely Canadian decoration for service of this nature. It is common to all the Armed Forces and supersedes various long service and good conduct awards peculiar to individual services, and which had no distinct Canadian connection.

The actual decoration is a 10-sided silver-gilt device, bearing on its front the effigy of the King, encircled by the Royal title. The reverse bears a Naval Crown, Maple Leaves and an Eagle, representing the three Services. The ribbon is red, equally divided by three narrow vertical white stripes. The decoration may be awarded only to personnel with service after January 1, 1946.

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FARM PRICES LOWER: Farm prices of agricultural products in August for all Canada declined nearly four per cent from the July level, and were also down slightly from August last year, according to index numbers compiled by the Bureau of Statistics. The August index, on the base 1935-39=100, stood at 251.6 as compared with 262.0 for July, the highest this year, and 252.8 for August, 1949.

The decline in the index from July was attributable in large part to the lowering of the initial price of western wheat at August 1 this year from \$1.75 to \$1.40 per bushel basis No. 1 Northern, in Fort William-Port Arthur or Vancouver. This decline in wheat prices, together with a slight decline in potato prices, more than offset advancing prices for livestock, poultry and eggs.

Reflecting the lower initial price for wheat, index numbers for the three Prairie Provinces showed declines from July. Indexes for the remaining provinces were higher. Compared with August last year, indexes were higher for Quebec, Ontario and British Columbia, and lower for each of the Maritime and Prairie Provinces.

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FIRST WAR LOAN BONDS: First War Loan bonds bearing call letter D increased in maturity value by \$250,000. The appreciation took place automatically when the Minister of Finance, Mr. Abbott, drew the letter D out of a hat in accordance with the original terms of the \$250 million bond issue. The result of the drawing means that persons holding First War Loan Bonds bearing call Letter D will receive 100½% on the date of redemption, February 1, 1951.

GOVERNMENT REVENUES, EXPENDITURES: The Minister of Finance, Mr. Abbott, on October 14, released a statement compiled by the Comptroller of the Treasury covering revenues and expenditures of the Government of Canada for the month of September.

The Comptroller's statement shows total revenues of the Government for the month of September amounted to \$214.5 million compared with \$174.0 million for September 1949. Total revenues for the first six months of the fiscal year amounted to \$1,281.4 million compared with \$1,240.6 million for the same period a year ago.

The Comptroller's statement shows total expenditures for September of \$211.0 million compared with \$189.7 million for September 1949. Total expenditures for the first six months of the fiscal year amounted to \$985.3 million compared with \$961.7 million for the same period of 1949.

SEPTEMBER REVENUES

Revenues for September exceeded expenditures by \$3.5 million, bringing the accumulated surplus at September 30 to \$296.1 million. The surplus for the six months ended September 30, 1949, amounted to \$278.9 million.

Mr. Abbott stated that "the surplus for the first half of the fiscal year should not be taken as indicative of what the final results would be for the year. The expanded defence programme announced at the special session of Parliament has not as yet been reflected to any considerable extent in the expenditures of the Government. In addition, there are always a number of expenditures at the fiscal year-end which tend to reduce substantially the budgetary surplus accumulated in the early months of the fiscal year.

In addition to budgetary expenditures, there were non-budgetary disbursements, that is, outlays for loans, advances and investments, amounting to \$42.5 million in the period April 1 to September 30, 1950, compared with \$110.7 million in the comparable period of 1949.

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RADIOTELEPHONY FOR AIRCRAFT: The Far East and Pacific Office of the International Civil Aviation Organization has announced that an informal meeting began on October 10 in Sydney, Australia between government and airline representatives to discuss the introduction of long-range radiotelephony facilities for en route airground communications across the South Pacific.

The meeting is being attended by representatives of Australia, Canada, France, New Zealand and the United States and of airlines operating in the South Pacific Region.

Up till now radiotelephony has been used only in that Region for short-range communications with aerodrome control towers or over areas where receiving stations have been

located relatively close together along the route. This has meant that long-range communications have had to be sent by radiotelegraphy using the morse code; in radiotelephony the pilot is able to talk directly to controllers on the ground as if over the telephone.

During the past 3 years ICAO has recommended at several Regional Air Navigation Meetings that governments should experiment in the use of radiotelephony for long-range communications; the result of these experiments has been found so successful in the South Pacific as to warrant the immediate introduction of this method of communication.

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CANADA AT THE UN

MR. DICKEY ON ECONOMIC DEVELOPMENT: The following is an excerpt from the statement made by Mr. John Dickey, representative of Canada, in the Second Committee, on the question of economic development of under-developed countries, on October 14:

"This debate has shown that there is general agreement on at least one point among us around this table. You sir, must have been struck as I have been, by the fact that almost without exception, previous speakers have referred with approval to the attention which has been paid by the United Nations to the subject of economic development. We are all pleased that such priority of attention has been given to economic problems, particularly as they affect those countries which today are referred to as comparatively under-developed.

EXPANDED PROGRAMME

"As a result of the careful consideration which has been given to this subject in the Assembly, in the Economic and Social Council, in the specialized agencies and among non-governmental organizations, we have recently embarked upon the United Nations Expanded Programme for Technical Assistance. This is a great accomplishment. Its full fruits cannot be enjoyed for some years, but it is reasonable to expect early beneficial results in many areas. It is a source of great satisfaction to us all that many nations have joined in a great-co-operative effort to make important contributions to the improvement of economic conditions in large and important areas of the world. Fifty-four nations were represented at the Technical Assistance Conference held in June, 1950, and, they have contributed according to their ability to the financial backing of the programme.

"All of us I am sure must regret that several countries of Eastern Europe have so far remained aloof. These same countries claim great accomplishments in domestic economic developments. However, they have not found it possible to make any contributions to the technical assistance fund. This situation is

the more to be regretted because, since they voted for the technical assistance resolution at the Fourth General Assembly, we had reason to hope for their substantial participation. In spite of the abstention of the Soviet Union and its satellites the programme has satisfactorily gone forward through its early stages.

"The results which are being achieved have obviously made necessary some explanation of the position of those who refused to participate. An attempt has been made in the debate to disguise their failure to join in assistance to under-developed countries by characterizing the whole programme as a project of American Imperialism. As a relatively small country but one which has been fully prepared to do its part in the work of United Nations in the economic field Canada cannot share these views. We have become so familiar with the false and tortured meanings given to ordinary and well understood words by communist propagandists that we can afford to disregard these suggestions which are obviously intended to divert the attention of Delegates from the fact that the Cominform countries have refused to help.... "

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NEW BORDER REGULATION: The Minister of Citizenship and Immigration, Mr. Harris, announced on October 16 that, in view of the recent regulations put into effect by the United States Government, aliens in the United States who have not been admitted to the United States for permanent residence and who seek admission to Canada will be required to present evidence that they will be re-admitted to the United States.

Permanent resident aliens of the United States who have the required documents will continue to be admissible to Canada provided they can comply with Canadian immigration regulations.

Aliens wishing to enter Canada in transit to the United States must be in possession of the required assurance of admission to that country.

The Minister pointed out that this step had been taken to prevent inconvenience to travelers who might encounter difficulty in re-entering the United States after their visit to Canada.

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CAPT. GEOFFREY B. HOPE RETIRES: The retirement of Captain Geoffrey B. Hope, O.B.E., R.C.N., 56, of Victoria and Ottawa, Assistant Chief of Naval Technical Services (Works) at Naval Headquarters, was announced on October 16. Captain Hope proceeded on retirement leave on October 1. He has been succeeded by Commander (SB) John B. Roper, R.C.N., 47, of Ottawa, who formerly was Deputy Assistant Chief of Naval Technical Services (Works).

VAST IRON, OIL OUTPUTS ARE VISUALIZED

MR. WINTERS' NEW YORK ADDRESS: The following is an excerpt from the address by the Minister of Resources and Development, Mr. Winters, before the Women's Canadian Club, in New York, on October 14:

"Since the end of the war Canada has entered a new phase of resources development, which in its intensity and promise has hardly any equal in the history of our country. The outstanding examples are: oil, iron ore and water power.

"In 1946 only a trickle of our domestic requirements of oil was met from domestic production, about 10 per cent. By the end of 1950 when the inter-provincial pipe line from Alberta to Wisconsin on Lake Superior will be completed, Canadian crude will be supplying about half of our domestic consumption, which is presently running at 330,000 barrels a day.

"In iron ore the most well-known discoveries are those in Northern Quebec and Labrador. Nearly 400 million tons of high grade ore have been proved by drilling, and vast resources beyond it are indicated. Arrangements to develop these tremendous ore bodies are under way. Present plans visualize an annual output of 10 million tons to be realized between 1955 and 1960, increasing to 20 million tons per year if the St. Lawrence Waterway is built.

IN UNGAVA PENINSULA

"Encouraging reports have also been received about the existence of major ore bodies in the northern parts of the Ungava Peninsula in Quebec which because of their closeness to the sea may become an important source of low cost ores.

"But this is not all. Large iron ore deposits are also being developed in Ontario north of Lake Superior. Annual production in this region has already reached 2 million tons. Further expansion up to 10 million tons per year is anticipated. Most of this ore as well as the ore from Northern Quebec and Labrador is or will be going to United States steel mills whose appetite for imported iron ores is continuously increasing.

"Water power is another of these phenomenal developments in our country. Little of this is widely known. With a population of less than 1 per cent of the world's total, Canada produces about 6 per cent of the world's estimated electric power output. On a per capita basis Canada produces twice as much electric power as the United States on an average at about half the cost. Rapid as Canadian progress in

power development has been, tremendous water resources remain untapped. Canada is utilizing only about one-quarter of her potential water power resources. There are some two dozen new hydro projects in various stages of development in Canada. Most of these are expected to be completed within the next three years, increasing Canadian water power output by close to one-quarter. These new developments coming into operation would provide enough power to supply with electricity all the homes in the States of New York, New Jersey and Pennsylvania, including Greater New York and Philadelphia.

"Most of the development presently under way has taken place in the more settled parts of Canada. But in the process of carrying out these developments Canadians have pushed further north all the time. And in so doing they are finding that undreamed-of opportunities are opening up in the development of our north-land.

THE LAST FRONTIER

"This is in fact the last frontier of the North American continent. It includes Alaska, the Yukon and Northwest Territories, and the northern parts of British Columbia, the Prairie Provinces, Ontario, Quebec and Labrador. The outstanding characteristic of this region is its vastness. It is larger in area than the continental United States.

"I have only recently returned from a tour of Canada's northern territories. I have come back greatly impressed by the challenges that lie ahead in developing this untamed but beautiful and potentially wealthy country. I have become convinced that large rewards await many of those who will invest and participate in this development.

"I saw a great deal of activity in the Yukon and Northwest Territories, more or less typical of what is going on in the whole vast north-land. Most of it is development for peace. Some of it is preparedness against aggression. The north country is stirring to the quickening pulse of mining and power development. New wealth is being created, and more is in prospect - gold, silver, uranium, lead, zinc, copper, iron ore, coal and petroleum. And yet it is literally true to say that the surface has not been scratched at more than a few points. Potential power sites are plentiful too. Incidentally, one in Labrador is higher than Niagara. This is the Grand Falls on the Hamilton River...."

MR. PEARSON ON UNITED ACTION FOR PEACE

ference not so long ago when his friends were in the majority.

"But who composes this tyrannical Anglo-American camp that goes around trampling on the rights of the Soviet bloc, and which automatically and on all occasions crushes any move that it makes? Does it include India, Egypt, Ecuador, Burma, Yugoslavia, Syria and all those other Members of the United Nations who bitterly resent the charge that they are in any camp and whose voting record here proves their resentment is justified?

"Mr. Vishinsky, while solicitous about the minority, scorns, in his turn, the rights of the majority; a majority which is presumably always wrong unless it includes five of the sixty Members of the United Nations. He refers to our decisions as rule by arithmetic. In his arithmetic, the minority or small fraction is always right and action against its wishes is *ipso facto* illegal, scandalous and unjustifiable....

"CAMP OF SATELLITES"

"The fact is, as Mr. Vishinsky of course knows, that all this talk about the Anglo-American camp of satellites and its automatic majority is absurd. It is, however, too much to expect that we will not continue to hear a great deal about it at this and other Assemblies, because without it many of Mr. Vishinsky's arguments would be even less impressive than they are.

"May I now say a few words about the resolutions before us. So far as the Chilean draft resolution is concerned, I will at this time say only this: we pay tribute to the high-minded initiative of the Government which sponsored it, and we hope, as the representative of Ecuador hoped, that there is some way by which this draft resolution can be considered in relation to the seven-Power draft resolution. I do not wish at this time to say anything more about the Chilean draft resolution as I shall probably have an opportunity to do so later.

"I should like to say a few words about the draft resolution sponsored by the seven Delegations, of which my Delegation has the honour to be one. This joint draft resolution, as we see it, embodies a plan to strengthen and organize the Assembly for peace. As such, it threatens no one, except he who would commit an aggression or break the peace. Its purpose is solely to help defeat aggression and it has nothing to do with warmongering or incitement to war.

"In one sense, this draft resolution is the product of the aggression committed by North Korean forces last June. That aggression shocked us all; not only into a realization of our danger, but also of the inadequacy of our collective security arrangements to meet this danger quickly and effectively. True, the

Security Council did act in June, speedily and effectively, but such action - as has been pointed out by one speaker - was made possible only by the accident of Soviet absence from the Security Council. The reasons given for this absence had, of course, nothing to do with the aggression in Korea, and the validity and sincerity can be judged by the fact that they still existed a month later when the Soviet Union Delegation returned to the Security Council to frustrate its operations during August. The walkout, and the walk back, were both examples of arrogance on the part of a minority which could not have its own way immediately in respect of a matter which it considered to be very important and, indeed, is very important. The action of the Security Council in June also showed how unprepared most Members of this Organization were to implement quickly the recommendations which they accepted. We were frankly not organized for this purpose. We had to improvise. Well, we hope that next time we may not have to improvise.

STRENGTHEN THE ASSEMBLY

"I think that we have learned the lesson of the events of June, and this draft resolution is a demonstration of that fact. We have learned, I hope, that in the face of a dangerous international situation and Security Council which can apparently act in certain types of aggression only in the absence of one of its members, we must strengthen other agencies of the United Nations to preserve the peace. We must especially strengthen the Assembly. This does not mean that we wish to short-circuit the Security Council or destroy the role that it was meant to play under the Charter, as the agency of the United Nations primarily responsible for the maintenance of peace and security. Not at all.

"The General Assembly, in this draft resolution, is only to be used when the Security Council fails to perform, or is prevented from performing, its peace-preserving functions. If the Security Council acts, that will satisfy us, and there is nothing in this draft resolution which interferes in anyway with such action.

"But if it does not act, or if it is unable to act, what then? Are we to sit back and admit the final and complete failure of our peace machinery? That would be an admission of defeat and despair, and we are not willing to make such an admission. One way out of this dilemma, of course, is the building up of regional and limited collective security systems, such as that under the North Atlantic Treaty. These do help to close the gaps in our security system, but they are only partial and limited devices. It is the United Nations itself, our universal organization -- and we must try to keep it that -- which must be strengthened; among other ways, by strengthening the Assembly along the lines of the draft

resolution. We must organize -- through the General Assembly, and in the event of the Security Council failing in its duty -- force behind the law; force to stop aggression; force to carry out Assembly recommendations which are accepted by its Members. It is, of course, only by recommendation that the General Assembly can act -- and nothing in this draft resolution changes that -- but recommendations, as we know now from the events of June, can have a force as strong and compelling as any mandate, when right and justice are behind them.

"Mr. Vishinsky made a great effort yesterday to prove that this draft resolution is illegal and contrary to the Charter in many of its terms, but I do not think he will have convinced those of us who are not already satisfied that anything he says is convincing. He has overlooked, of course, one essential point which I have already mentioned, namely, that the Assembly is being given powers which are not only within the Charter, but are to be used only after the Security Council itself has failed to take or been unable to take action. The acceptance of Mr. Vishinsky's legal argument merely means that the United Nations cannot take any action at all to safeguard peace and security, if the Security Council is made powerless by any one of its Members. We do not and cannot believe that the United Nations Charter sanctions any such futility.

BASIS OF POSITION

"The Canadian Delegation, in sponsoring this draft resolution, considers that the General Assembly, by voting these proposals, would be simply making provision to utilize certain powers which it already possesses. And that is the basis of our position. We do not think of these proposals as constituting any radical or revolutionary departure in interpretation of the Charter, but rather as practical measures to meet situations in which the purposes of the United Nations might be frustrated. We consider that the time has now come to spell out certain measures which, within the terms of the Charter, the General Assembly and its Members can take to be more fully prepared for such emergencies in the future....

After discussing the details of the resolution Mr. Pearson added, in part:

"What has the Soviet Union Delegation to propose as an alternative to the measures contemplated in this draft resolution - those measures of the draft resolution which it does not approve - for strengthening the capacity of the United Nations as an effective instrument for the maintenance of peace and security? I think my fellow representatives must have been about as surprised as I was to hear the alternative proposed by Mr. Vishinsky yesterday. In ringing tones he urged that the Military Staff Committee contemplated under Article 47 of the Charter should be put to work as soon as possible and that we should begin to work out military agreements under

Article 43 of the Charter. It is not necessary for me to rehearse before this Committee the story of the obstruction by the Soviet Union Government to all attempts to organize the Military Staff Committee or to conclude agreements under Article 43. This course of obstruction has persisted over months and increased over years, and all attempts to comply with this portion of the Charter have come to a standstill.

"In the face of such obstruction, Mr. Vishinsky now comes forward with the proposal that the Military Staff Committee should get to work as soon as possible and that military agreement should be concluded in accordance with Article 43. If this means that the Soviet Union Delegation intends to modify its previous attitude and to co-operate constructively in the work under Chapter VII of the Charter, it is the best news that we have heard for a long time. If it does not mean that, then it is nothing but a piece of rhetoric which assumes very short memories and a very low order of intelligence on the part of members of this Committee...."

* * * *

DESTROYERS IN ACTION OFF KOREA: With the Canadian Destroyers off Korea, October 16 -- Canadian destroyers operating with United Nations naval forces have taken part in actions off the east and west coasts of Korea during the past week.

H.M.C. Ships Cayuga (Captain Jeffrey V. Brock) and Sioux (Cdr. Paul D. Taylor) were attached to a task force commanded by Rear-Admiral W.G. Andrewes and operating off the Korean west coast. The force carried out carrier air strikes and surface bombardments of troop concentrations, supply lines and gun emplacements north of the 38th parallel in the Changyon and Chodo areas.

The Sioux on one occasion was sent south of the 38th to blast an enemy shore battery on Fanfochi Point, on the Ongjin peninsula. Several hits were scored and heavy damage was inflicted.

The Cayuga was detached from the task force early in the week to return Vice-Admiral Harold T.W. Grant, Chief of the Naval Staff, to Tokyo, following his visit to the theatre of operations.

The Cayuga is on her way back to rejoin the task force on the west coast.

On the east of Korea, H.M.C.S. Athabaskan (Cdr. Robert P. Welland) was one of 37 United Nations warships engaged in the biggest naval movement on the east coast since the beginning of the Korean war.

The task force, headed by the battleship U.S.S. Missouri, pounded red-held positions from the city of Songjin to the Manchurian border. The Athabaskan's duties included screening and bombardment and on one occasion she teamed with the American light cruiser Worcester in carrying out a large-scale bombardment of Communist installations.

URGES CO-ORDINATION OF NATIONAL POLICIES

MR. HOWE'S BOSTON ADDRESS: The following is the partial text of the address on, "Joint Resources and Common Purposes," delivered by the Minister of Trade and Commerce, Mr. Howe, to the Boston Conference on Distribution, on October 16:

"...It will take more than guns and ammunition to stop the rising tide of Communism. Russia has always said that the countries of the Western world will eventually collapse from economic rather than military weakness. That is what the men in the Kremlin may be counting on in the present situation. It is possible that they may try to draw us out on more than one front in the hope that we may expend our energies and dissipate our resources to our own economic undoing. That is why we must keep our economy strong if we are to beat the enemy at his own game. It is not enough for us to strengthen our military defences at this time. Such action will help to prevent the outbreak of general war, but we will have to do more than that if we are to win the peace. Economic preparedness must go hand in hand with military preparedness. In the months that lie ahead, we must move strongly and surely in a collective effort to strengthen our defences and co-ordinate our activities on the military front. At the same time we must carry on with our long-range programmes for greater economic and social stability which, in the final analysis, can be the only firm basis for peace.

- WINNING THE ECONOMIC WAR

"The task of winning the economic war will not be an easy one. If we are to maintain and develop our strength on the economic front we will have to dovetail military requirements with essential civilian needs as effectively as possible and at the same time avoid undue hardship in any one sector of the community. We will have to divert some of our productive facilities and expand others to meet our national and international commitments. We must make full use of our industrial potential by using our resources of materials and labour and capital equipment as efficiently as possible. In carrying out this programme, we must keep strains and dislocations within the economy at a minimum. We will have to try and keep inflationary tendencies from getting out of hand. We will have to avoid excessive rises in costs and prices and wages. We will have to solve problems of transportation and distribution as well as those of production. And in doing all this we must keep the nation financially sound.

"...We are now in a period which is neither total war nor total peace, but a little of both. In such a period we can have neither the regimentation nor the full control that we associate with a state of war; nor can we have the degree of freedom that is possible under a

peacetime regime. It, therefore, becomes the responsibility of all of us as individuals and as responsible officials in business and industry to do everything we can to prevent undue waste, to avoid hoarding, and to use our resources and energies as efficiently as possible. It becomes the responsibility of governments to co-ordinate national policies to take care of both civilian and military needs without jeopardizing our economic future."

Mr. Howe said he thought the best way Canada and the United States could minimize present difficulties was "by pooling our resources and extending the co-operation between our two countries to cover matters other than those of purely military significance."

He said:

VALUABLE NEW RESOURCES

"In Canada, we have lifted a corner of the overburden and glimpsed vast reserves of valuable new resources. We have drilled a few small holes in our earth and found great underground oceans of new energy. We have tried our hands and our skills at new works and found we could hold our own with any industrial nation. We have explored new scientific frontiers and opened up new vistas. As yet the potentialities of our future are only beginning to dawn on us and we are beginning to realize that if there are any limitations to our progress, it will not be of nature's but of man's own making.

"Canada, as you know, is a country richly endowed in natural resources and an important supplier of a large number of basic materials essential not only in war but also in peace. Not only can we supply large quantities of strategic metals, lumber, and foodstuffs, but in many respects our resources are complementary to those of the United States. Our northern half of the continent is rich in hydro-electric power; your half in coal and oil. In lumber we have an abundance of softwoods; you have the hardwoods. In other forest industries, in agriculture, and more recently in manufacturing, there is a similar broad balancing of resources and productive possibilities.

"But still more important from the standpoint of economic co-operation are the recently-discovered reserves of two highly essential commodities. I refer, of course, to the oil fields of Alberta and the iron ore deposits on the Quebec-Labrador border. Present rates of consumption for oil and iron are already high and the demand for both these products will rise sharply as defence production plans get into full swing. The advantages of alternate sources of supply for Texas oil and Mesabi iron right here within our own continent are only too obvious in times like these when strategic considerations are of the utmost importance....

"Canada emerged from the last war with greater managerial skill and with a better-

trained labour force. We had proved our capacity to manufacture entirely new products, to adapt our techniques to meet different standards, and to increase our production on a competitive basis -- in short, Canada had become a major industrial nation....

The Minister instanced the St. Lawrence Seaway as a project of mutual interest and added:

"By making full use of our Great Lakes - St. Lawrence System for both navigation and power, industry and commerce in both countries will benefit. Cheap transportation combined with cheap power will bring industrial expansion to the immediate area served, and indirect benefits will spread throughout the North American economy. Not only will the scheme provide power that is urgently needed. It will enable Labrador ore to move to the steel mills of the Great Lakes region via an easily-defended route. In wartime, it would permit additional supplies of oil to reach eastern centres should more vulnerable sources of supply be cut off....

The two nations, Mr. Howe said, could add to their economic strength also by co-operation in the fields of trade and international relationships.

* * * *

NEW CARS LEAD SALES RISE: Canada's retail trade increased 13 per cent in August over the corresponding month last year, showing the largest gain since April last year. All provinces and practically all trades shared in the marked sales advance in the month. In the first eight months of this year the rise in all-Canada sales was nearly six per cent.

Outstanding in this year's August results was the 52 per cent gain in motor vehicle dealers' sales -- an indication of the sustained demand for new passenger cars. Coal and wood dealers' sales were up 25 per cent, the second successive month in which marked gains in sales were reported.

Other notable increases were shown by garages and filling stations, with a sales rise of 24 per cent; lumber and building material dealers, 22 per cent; and appliance and radio dealers, 16 per cent. Groceries and combination store sales were up nine per cent.

For the first time in many months, all trades in the apparel group recorded gains in sales volume, with a nine per cent increase in men's clothing stores the largest. Women's clothing store sales rose 7.8 per cent, and family clothing stores three per cent. Of the three minor declines reported, the largest was a drop of two per cent for tobacco stores.

In the January-August period, motor vehicle sales led the advances with a rise of 36.3 per cent over the same period last year, followed by coal and wood dealers at 20.1 per cent, garages and filling stations 13.7 per cent, and appliance and radio dealers 12.5 per cent. Declines in the eight months ranged from 0.4 per cent in restaurant sales to 10.2 per cent for women's clothing.

I.L.O. GENEVA DELEGATES: The Minister of Labour, Mr. Gregg, released on October 16 the names of Canada's delegates to the third session of the International Labour Organization Petroleum Committee, which meets in Geneva from October 24 to November 4.

The Petroleum Committee is one of the eight Industrial Committees of the I.L.O. All these committees are tripartite, consisting of delegates representing governments, employers and workers from the member countries.

Government delegates will be C.T. Richard, K.C., M.P., of Bathurst, New Brunswick, and R.H. Hooper, Industrial Relations Officer of the federal Department of Labour at Winnipeg.

Delegates representing employers will be A.G. Cockrill, Director of Industrial and Public Relations of the British American Oil Company, and W. Yalden-Thomson, Co-ordinator of the Labour Relations and Research Division of the Imperial Oil Company, both of Toronto.

Workers' delegates will be Gordon Fisher of the Oil Workers' International Union, of Lakeview, Ontario, and Marcel Francq, Canadian Representative of the International Chemical Workers' Union, of Montreal.

The meeting will deal mainly with social conditions in the petroleum industry, with special reference to housing and to social services, such as education, medical and transport services, and recreation.

* * * *

FARM COSTS STILL RISE: The Bureau's composite price indexes of commodities and services used by farmers, both inclusive and exclusive of living costs, showed further advances between April and August, but in each case the rate of advance was less than from January to April.

Based on 1935-39 equals 100, the composite index, inclusive of living costs, moved up five points in the four months from 196.5 for April to 201.5 for August. This compares with a rise between January and April of 8.6 points from the January standing of 187.9, which was down from 192.3 in August last year. Exclusive of farm living costs, the index rose 5.7 points from 209.7 for April to 215.4 for August as against an advance from January to April of 13.4 points from 196.3 in January. The latest standing of this index compares with 204.2 for August last year.

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REPORT ON MANUFACTURING INDUSTRIES: The growth of Canada's manufacturing industries in the past 30 years is traced in the annual report of the industry for 1947 released on October 16 by the Bureau of Statistics. New records were established during the year in gross and net values of production, cost of materials, salaries and wages, and number of establishments. The number of employees, although below wartime peaks, was at a peacetime high.

NATIONAL NOTES

Mr. Justice R.L. Kellock, of the Supreme Court of Canada, was appointed by the Cabinet on October 17 to arbitrate between the rail-ways and the unions in regard to remaining differences in matters of wages and hours.

Plans to prepare a United Nations flag to fly on October 24, United Nations Day, have been announced by a committee of the Regina United Nations Association.

Ten Arthritis and Rheumatism clinics in Toronto, Hamilton, London, Windsor, Kingston and Ottawa are to be equipped with special technical apparatus purchased with a federal health grant.

Seven young men from the "lower deck" of the Royal Canadian Navy entered university this Fall under the plan which provides selected men with the opportunity to acquire educational qualifications required for promotion to commissioned rank.

Flight trials of an F-86 fighter powered by the Canadian-built Orenda jet engine have commenced at the United States Air Force Base at Muroc Dry Lake, California. The initial flight of the fighter fitted with the powerful Canadian power plant marks the opening of another phase in a test programme being carried out by the United States Air Force to determine further potentialities of the engine.

Cars of revenue freight loaded on Canadian railways during the week ending October 7 totalled 89,273, showing a decline of 1,703 cars from the preceding week, but a slight rise over the 89,082 cars loaded in the corresponding week last year.

Revenue freight carried by Canadian rail-ways in June totalled 12,521,819 tons, showing an increase of 10 per cent over the 11,411,-938 tons transported in the same month last year.

A veteran fire investigator testified in Quebec City on October 18 that he believes the fire which destroyed the cruise ship Quebec last August was "set wilfully." The fire cost seven lives. The investigator -- Charles Hazen -- is a Montreal chemist with thirty years' experience in fire investigation.

NEW \$700,000,000 LOAN: The Minister of Finance, Mr. Abbott, announced on October 18 the issue of a new \$700,000,000 Government of Canada loan. This issue represents the second offering of securities by the Government this week, the first being the Fifth Series of Canada Savings Bonds which went on sale on Monday, October 16.

The proceeds of the new issue announced today, together with other resources, will be used by the Government for the redemption of two 1½% issues maturing on November 1, 1950 aggregating \$735,690,000 in amount.

The new issue consists of two maturities - 2-year 1½% bonds maturing November 1, 1952 and 5-year 8-month 2½% bonds maturing July 1, 1956. The short-term bonds are being offered at 99.70% to yield about 1.91% to maturity and the longer term bonds are being priced at 99 3/8% to yield about 2.37%.

Both bonds are non-callable to maturity. The interest on the 2-year bond is payable on May 1 and November 1. The interest on the 5-year 8-month bond is payable on July 1 and January 1, the first interest date being July 1, 1951. Both bonds will be offered in deno-minations of \$1000, \$5000, \$25,000, \$100,000 and \$1,000,000.

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BANK RATE INCREASED: The Bank of Canada has announced that the Board of Directors decided at a meeting on October 16 to increase the Bank Rate, effective October 17, to 2 per cent from the 1½ per cent level established on February 8, 1944.

At the time the reduction in Bank Rate took place in 1944, the Bank expressed the view that it did not then see any prospect of an economic situation in the post-war period of a character which would call for a policy of raising interest rates. The change to a 2% Bank Rate is an indication that the earlier view no longer holds good under today's condi-tions when Canada faces the prospect of sub-stantially increased defence expenditures adding to the pressure on the country's re-sources at a time of virtually full employment.

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WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America on October 5 were slightly below last year's correspond-ing total. Deliveries from farms in the Prairie Provinces were higher during the week, but overseas export clearances moved to lower levels.

Visible supplies on October 5 amounted to 172,821,000 bushels as compared with 174,854,-000 a year earlier, and deliveries from farms totalled 20,758,000 bushels compared with 19,330,000. Overseas export clearances amounted to 3,669,500 bushels as against 4,323,900.



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WEEK'S EVENTS IN REVIEW

SPECIAL FORCE AVAILABLE FOR EUROPE The Prime Minister, Mr. St. Laurent, spoke in part, as follows at the Canadian Industrial Preparedness Association Annual Meeting in Montreal on October 6 on the ultimate disposition of the Canadian Special Force:

"The aggression in Korea was the immediate occasion for the creation of the Canadian Army Special Force, but from the first move to establish that force it has been made clear that it was being created to be available to assist without undue delay in discharging Canadian obligations under the United Nations Charter and the North Atlantic Treaty. As I said at the Royal Military College in Kingston last week, the force is now being trained for service in Korea and it will be sent to Korea if that still seems to be the right place, to send it when it is ready for service.

"But it may be that circumstances will make it expedient to employ this special force in some other area and, if circumstances make such a course seem advisable in the interest of increasing the common security of ourselves and of our allies, the Government will not hesitate to recommend to Parliament that this force be employed elsewhere. I also indicated last week -- and this was implicit in our plans from the beginning -- that the Special Force, if it were not needed in Korea, would

be available for service with forces of our North Atlantic partners wherever it might best fit into any overall planning; that might well mean its employment in Europe if that is what best fits into the joint plans when those joint plans have taken definite shape.

"I am sure we all recognize that the armed forces of Canada must be appropriately represented in the integrated force which is to be established by the North Atlantic Alliance. But it is of the utmost importance to be realistic about these matters. Any military force which we can send to Europe when there is no war going on in Europe will, of necessity, be a very small part of the combined strength in being of the North Atlantic powers if that strength is to be substantial enough to make potential aggressors think twice before they start anything.

"But I certainly do not need to tell an audience as familiar as you are with the requirements in weapons and supplies of modern armed forces how large the requirements are in Europe, at the present time, for fighting equipment for the men who live over there. The free nations of the Western World are greatly outnumbered in properly equipped manpower by the nations now behind the iron curtain. The most effective way to match this tremendous pool of potentially hostile armed manpower is

CRUDE OIL PIPE LINE: The following are excerpts from the address of the Minister of Trade and Commerce, Mr. Howe, at the inauguration by Interprovincial Pipe Line Co. of the movement of crude oil from Edmonton, Alberta, eastward to Regina, Saskatchewan, on October 4:

"The turning of the valve that will send Alberta oil to Regina, 450 miles from here, is a Canadian event of the first order, but this is only part of the story. Before many months go by, this pipe line will have been extended to the nearest tip of Lake Superior, a distance of nearly 1200 miles. After that, Alberta, rather than the United States, will be the major source of supply for petroleum products consumed in the Province of Ontario....

"This pipe line, which makes Canadian crude oil available to important sections of our country, is more than an enterprising business venture. It is an essential factor in our preparedness programme for the defence of Canada. As a Canadian business venture, it will stop a drain on our economy of at least 150 million United States dollars a year that we are now spending for foreign crude. In time of war, it will diminish our problem of obtaining imports of petroleum, when petroleum is usually almost impossible to obtain....

"I often wonder how many Canadians have an appreciation of the present rate of growth of our Canadian economy. Those attending this ceremony will have an appreciation of one gigantic project now nearing completion. Others will understand the impact of the great iron and titanium projects now being developed in northern Quebec. Others are aware of the development of iron ore in Ontario. Those visiting the West Coast will know about the new pulp mills and other spectacular developments in that area. I wish that every Canadian citizen could have my opportunities of travelling about Canada, and thus becoming familiar with the great developments now under way. This is no country for pessimists. Those of us privileged to live in this great land are the most fortunate people on earth."

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ARMY SENIOR APPOINTMENTS: Five new appointments for senior officers of the Canadian Army, two including promotion to the rank of colonel, were announced on October 4 by the Minister of National Defence, Mr. Claxton.

Col. Roger Rowley, DSO, ED, 36, of Ottawa, present Director of Military Operations and Plans, becomes Director of Infantry at Army HQ. He replaces Col. J.G.G. Charlebois, recently appointed military attaché to France.

Lt.-Col. Cliff H. Cook, ED, 38, also of Ottawa, is promoted to the rank of colonel and appointed Director of Military Operations and Plans.

Col. Ernest Charles Brown, OBE, ED, 44, officer in charge of administration at HQ Western Command, Edmonton, becomes commandant of the Northwest Highway System in December, with headquarters in Whitehorse, Y.T. He suc-

ceeds Brig. A.B. Connelly whose appointment to command Saskatchewan Area was announced last month.

Col. Ross MacAulay Bishop, OBE, ED, 38, of Ottawa, Director of Staff Duties at Army HQ, succeeds Col. Brown in Edmonton as officer in charge of administration.

Lt.-Col. George C. Leech, OBE, 39, formerly of Winnipeg, is promoted to the rank of colonel and becomes Director of Staff Duties early in October, succeeding Col. Bishop.

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U. OF T. TOOTH DECAY STUDIES: A statistical study of the incidence of tooth decay among children is being carried out by the Faculty of Dentistry of the University of Toronto as part of a national programme of research into public health problems the Minister of National Health and Welfare, Mr. Martin, has announced.

Until recently, he noted, few attempts have been made to analyze dental data statistically, and most of what has been done was limited to the averaging of mass surveys, with no attempt to qualify the accuracy of the conclusions by estimating the standard errors in sampling. Studies in Canada, the United States and Norway have shown that the amount of dental decay varies according to age and to the tooth surface involved. These investigations have produced at least two methods of estimating the incidence of tooth decay among large numbers of persons.

The present study is being carried out by Dr. R.M. Grainger under the supervision of Dr. G.T. Mitton, Associate Professor of Dental Public Health.

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ARMY APPOINTMENTS: Col. John B. Allan, 36, of Saint John, N.B., commandant of the Canadian Army base at Fort Churchill, has now been appointed officer in charge of administration at Prairie Command Headquarters, Winnipeg.

The Minister of National Defence, Mr. Claxton, announced at the same time the appointment of Lt.-Col. Donald Frederick (Don) Forbes, DSO and Bar, 43, of Sydney and Halifax, N.S., as commandant at Churchill, and his promotion to the rank of colonel.

* * * *

SOUTH AND SOUTH-EAST ASIA REPORT: The Commonwealth Consultative Committee on South and South-East Asia completed its work on October 4 and adjourned. Its draft report was adopted unanimously and will now be considered by the individual Commonwealth Governments concerned. If the report is approved by Governments it will be published.

The Committee assembled on Monday, September 25, under the chairmanship of the Right Honourable Hugh Gaitskell, C.B.E., M.P., Minister of State for Economic Affairs. The Minister of Fisheries, Mr. Mayhew, was the leader of the Canadian Delegation.

1948 RECORD FOREST PRODUCTION: Canada's total forest production in 1948 was the highest ever recorded. Final estimates by the Bureau of Statistics show a cut of 3,198,179,000 cubic feet of merchantable timber valued at \$586,295,000 as compared with 3,091,086,000 cubic feet at \$519,804,000 in 1947 -- the previous peak year. Preliminary figures for 1949 indicate a decrease in volume to 3,160,469,000 cubic feet, the Bureau of Statistics has reported.

Of the estimated 1948 total, 1,250,416,000 cubic feet of merchantable timber or 39 per cent was taken out of the woods in the form of logs and bolts, chiefly for the production of lumber, 1,062,324,000 cubic feet or 33 per cent as pulpwood, and 762,361,000 cubic feet or 24 per cent as fuelwood.

Pulpwood was the most important forest product from the value standpoint with a total of \$284,656,819 in 1948, up from \$237,488,741 in the preceding year. Logs and bolts came second at \$215,108,932 compared with \$205,259,855, and fuelwood third at \$49,535,855 against \$46,206,336. Poles and piling, round mining timber, posts and hewn railway ties were next in order.

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WORLD WHEAT CROP ESTIMATE: Prospects for the world wheat crop in 1950 indicate that production may be around 6.4 billion bushels, some two per cent above the 1949 harvest and six per cent greater than the 1935-39 average, states the Bureau of Statistics in the September issue of its wheat review. The anticipated world crop of rye of 1,670 million bushels is about three per cent less than the 1949 output and four per cent below the 1935-39 average.

Estimated production of wheat in North America is placed at 1,523 million bushels as compared with 1,531 million in 1949, Europe 1,550 million against 1,505 million, Soviet Union 1,110 million against 1,100 million, and Asia 1,600 million against 1,475 million. Output in Africa is estimated at 150 million (158 million in 1949), South America 290 million (279 million), and Oceania 180 million (222 million).

The North American rye crop is estimated this year at 37 million bushels compared with 29 million, Europe 690 million against 710 million, Soviet Union 910 million against 950 million, Asia 22 million (13 million), Africa one million (one million), and South America 11 million (10 million).

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RCAF ADVANCED TRAINING: Twenty-three senior RCAF officers along with representatives of the Canadian Army, the RCN, Royal Air Force and the United States Air Force are hard at work these days waging a battle of books and lectures of the RCAF's Staff College in suburban North Toronto.

The course, lasting for ten months, was founded during the war to give advanced training to senior officers in tactics and strategy and to fit them for higher staff appointments. It also gives them a broad perspective of national and international problems and the technical fields related to wartime mobilization.

During the course the officers are taken on a ten-day Arctic tour to acquaint them with problems of northern life and operations. Exchange visits are arranged with Naval units at Halifax, and two weeks are spent at the USAF's Air University at Maxwell Field in Alabama. These visits prove of great value in both inter-service and international liaison and are a highlight of the course.

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UNIVERSITIES ENROLMENTS DOWN: Enrolments in Canadian universities for 1950-1951 have shown a downward trend, according to an announcement by the Minister of Labour, Mr. Gregg.

The Minister made this announcement in reviewing a quarterly bulletin of the Technical Personnel Division of the Department of Labour. The bulletin showed that enrolment in the class of 1950-51 was more than 2,000 lower than the number who graduated in 1950. The Minister pointed out that this was expected with the graduation of the majority of war veteran students.

For the past few years university classes had been swollen for beyond normal capacity by the many thousands of war veterans who sought higher learning after their discharge from the armed services, explained Mr. Gregg.

"Now" he continued, "The majority of these young ex-servicemen and women had completed their training and the enrolment was tapering off to more normal levels."

The bulletin showed that the annual number of all graduates with bachelor degrees or the equivalent, had risen from below 4,000 in 1920 to above 18,000 in 1950. The sharpest rise was in the postwar years 1945-1950. It was anticipated that the downward trend would continue to about 11,000 in 1956 when a slight upward trend, the normal long term trend, might be expected.

The annual number of engineering graduates had risen from about 400 in 1921 to approximately 3,600 in 1950. It was estimated that this figure would decline to about 1,100 in 1955, then a gradual increase might be expected to reach about 1,200 in 1960, the Minister stated.

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UNEMPLOYMENT INSURANCE CLAIMS: Claims for unemployment insurance benefits filed in local offices of the Unemployment Insurance Commission in August totalled 61,545, showing an increase of 40 per cent over the July figure of 43,929, and a rise of about 22 per cent

over the 50,291 claims filed in August, 1949. The more-than-seasonal increase over July was likely due to lay-offs of non-striking workers in industries which experienced a curtailment of operations due to the nation-wide railway strike in the latter part of August.

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NAVAL CHIEF VISITS SEOUL AREA: Vice-Admiral H.T.W. Grant, C.B.E., D.S.O., R.C.N., Canada's Chief of the Naval Staff, visited the Inchon-Seoul area on October 9 after arriving at Inchon in the Canadian destroyer H.M.C.S. Cayuga.

Admiral Grant paid official calls on United Nations military and naval commanders in the area and, during a visit to Seoul, called informally on Syngman Rhee, President of the Korean Republic.

Admiral Grant, who is on an inspection visit to the Canadian naval forces in the Korean theatre, was accompanied by Captain Jeffrey Brock, D.S.C., R.C.N., commander of the Canadian Destroyer Division operating with the United Nations forces, and by his secretary, Cdr. (S) F.D. Elcock, R.C.N.

VISIT WITH PRESIDENT RHEE

Following the calls and the visit with President Rhee, the party drove through parts of Seoul on a brief inspection of the city.

Admiral Grant sailed in the Cayuga from a south Japan naval base to Inchon on an operational trip.

The other Canadian destroyers, Sioux and Athabaskan, accompanied the Cayuga, and on Sunday the three ships took time out from the tasks of one war to remember another.

As the three ships steamed through the waters of the Yellow Sea, their crews gathered to observe Battle of the Atlantic Sunday and pay homage to those who served and gave their lives in that earlier conflict.

On board the Cayuga, a brief and moving non-demonstration service was held on the sunlit quarterdeck. Taking part were men who served on the North Atlantic during the Second World War and well remembered the grim, relentless battle with the U-boats. Alongside them were others, still in or barely past their teens, who were knowing war for the first time.

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COST OF LIVING RISES: With the exception of Edmonton, regional city cost-of-living indexes moved higher in August. For Edmonton, sharp seasonal declines in fresh vegetables, notably potatoes, were sufficient to balance higher quotations for meats, coffee, sugar and butter. At other centres, foods advanced as did other main groups. Rents, which were surveyed in August, were higher for six of the eight cities -- Saint John and Saskatoon remaining unchanged. An increase in automobile tires was principally responsible for narrow gains in the miscellaneous items indexes.

TRADE PACT WITH VENEZUELA: The Minister of Trade and Commerce, Mr. Howe, announced on October 11 that a commercial modus vivendi between Canada and Venezuela was signed on that date at Caracas by the Canadian delegation at present visiting a number of Latin American countries.

This agreement, to be valid for one year from date of signature unless terminated on three months' notice, provides for the exchange of most-favoured-nation treatment between the two countries in all matters concerning customs duties or charges, as well as in all matters relating to the concession of foreign exchange for commercial transactions and to the assignment of import and exchange quotas. This agreement may be renewed from year to year.

As in the previous agreement, which lapsed in 1949, Canada undertakes to accord to Venezuela most-favoured-nation treatment and will be entitled to receive most-favoured-nation treatment from Venezuela. As a result of this agreement, Canadian goods will on importation into Venezuela be subject to the same customs duties and other charges which are levied on goods from other countries, such as the United Kingdom and the United States.

TARIFF REDUCTIONS

Any tariff reductions, which either Canada or Venezuela may grant in the future to a third country, will automatically be extended to the other. For example, although Venezuela is not a party to the General Agreement on Tariffs and Trade, any tariff reductions that Canada may grant as a result of the G.A.T.T. negotiations now in progress in Torquay, will apply equally to Venezuela.

Mr. Howe pointed out that among the Canadian goods that will now benefit from reduced rates of duty are the following: canned salmon; canned fruits and vegetables; cigarettes; hosiery of pure silk or mixtures; Douglas fir timber and lumber; lanterns, both wick and pressure. Other goods, which were subject to general tariff duties that were no higher than the most-favoured-nation rates, will benefit by the guarantee that no duties may now be levied on them in excess of the most-favoured-nation rates.

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WHEAT STOCKS: There was a heavy movement of wheat from farms in the Prairie Provinces during the week ending September 28, and overseas export clearances were moderately higher. Visible supplies were lower than at the same time last year.

Deliveries of wheat from western farms during the week amounted to 36,817,488 bushels as compared with 19,678,814 in the corresponding week last year. Overseas export clearances totalled 4,130,014 bushels as against 3,910,995, and the visible supplies on September 28 amounted to 158,408,084 bushels against 162,961,023.

BUSINESS

NIAGARA TREATY RATIFIED: The Prime Minister, Mr. St. Laurent, made the following statement on October 10:

"The Treaty regarding Uses of the Waters of the Niagara River, which was signed in Washington on February 27, 1950, came into force at 3:00 p.m. today when the formal instruments of ratification were exchanged in Ottawa by the Prime Minister of Canada, the Right Honourable Louis S. St-Laurent, and the United States Ambassador, the Honourable Stanley Woodward.

"The Treaty contains provisions designed to protect and enhance the scenic beauty of the Falls by the construction of remedial works and provides for the more efficient use of the waters of this river thereby increasing the potential hydro-electric power available at Niagara Falls for use in both countries. It was approved by the Canadian Parliament on June 19, and by the Senate of the United States on August 9, 1950, with a reservation concerning construction of the works in the United States, which was accepted by the Canadian Government."

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NATIONAL NOTES

Mr. M.J. Coldwell, C.C.F. Leader and member of the Canadian Delegation to the UN, was reported in Ottawa as saying that Delegates to the current United Nations meetings in New York agree there is a better feeling in the General Assembly than at any time since 1946.

"I think this is due to the fact that more than 50 of the 60 nations who are members of the world organization have shown a determination to prevent further aggression and to endeavor to so arrange the powers of the Assembly and of the Security Council that peace may be preserved," he said.

It was reported from Paris on October 10 that Canada and France had completed two days of talks designed to increase trade between them. The official communiqué did not say whether any progress had been made.

George Hainsowrth, former ace goal-tender in the National Hockey League, was killed in an automobile collision near Gravenhurst, Ontario, on October 11.

New motor vehicle sales in August continued well above the 1949 level, but showed the usual seasonal decline from July. Increases over a year earlier in number of new motor vehicle sales financed remained higher than increases in sales, while financing of new vehicles continued to advance at a higher rate than used car financing. There were 32,371 new vehicles sold in August with a retail value of \$67,126,539 as compared with 18,561 units retailed for \$37,085,728 in August last year.

Department store sales increased seven per cent during the week ending September 30 as compared with the corresponding week last year, according to preliminary figures.

Production of 10 of 16 of Canada's leading minerals was higher in July than in the same month last year, while in the first seven months of this year, output advanced in all but two of the 16 items.

Production of wheat flour in Canadian mills in August amounted to 1,713,860 barrels, showing an increase of 34 per cent over the July total of 1,278,865 barrels, but was practically unchanged from the August, 1949 output of 1,713,571 barrels.

The volume of revenue freight loaded on Canadian railways continued to increase in the week ended September 30, reaching a record for the week of 90,976 cars against 90,307 in the preceding week and 89,614 cars in the same week last year.

\$10,000,000 U.S. ORDER FOR GUNS: An order for 3-inch/50 calibre naval guns, valued at approximately \$10,000,000 has been placed with Sorel Industries Limited, Sorel, Que. by the Canadian Commercial Corporation on behalf of the United States Navy, the Minister of Trade and Commerce, Mr. Howe, announced on October 11. This order will be in addition to a contract, valued at approximately \$2,100,000, placed on behalf of the Royal Canadian Navy earlier this year.

"This is concrete evidence that the policy of reciprocal procurement of military equipment adopted by the Governments of Canada and the United States is operating. Under this agreement specialized industrial capacity will be utilized to meet the requirements of both countries", Mr. Howe said.

(Continued from p. 1)

SPECIAL FORCE AVAILABLE FOR EUROPE

by the most efficient use of the vastly greater industrial potential of the free world, particularly on this continent.

"At the present time, the most serious obstacle to the creation on the Continent of Europe of extensive military forces on our side is the shortage of actual equipment and of the capacity to produce equipment, weapons and supplies.

"For the immediate future, therefore, the most urgent need of all our European allies is the need of military supplies to be put into the hands of men who are on the spot and who are capable of forming effective military forces. To provide real security, these forces must be properly equipped and the people of Western Europe must be completely convinced that we in North America are making effective and sincere plans to help them defend their homelands, and not merely to liberate those countries if they should be overrun. That is the real purpose of the integrated force.

"So far as Canada is concerned, we need both forces in being, and a set up for mobilization in the event of a general war. And we shall also need a substantial industrial effort to produce weapons, equipment and supplies for both ourselves and our allies, and to do so just as quickly as joint production plans can be formulated on which appropriate Canadian action can be based.

"So far as Canada is concerned, the financial aspects are being looked after. At the recent session of Parliament \$300,000,000 was appropriated as a substantial first step in this programme. Just as rapidly as we can reach agreement with our allies on what Canada can provide most effectively, we shall be turning to the members of your Association to help us in the performance of that task. Meanwhile, as I do not need to tell you, we have already stepped up production in a number of directions for our own forces...."

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JULY RECORD IN CRUDE PETROLEUM: Canadian production of crude petroleum in July rose to a new high total of 2,609,778 barrels as compared with 2,181,342 in the preceding month, and 1,775,320 in July, 1949. This brought the cumulative output for the first seven months of this year to 15,108,033 barrels as compared with 11,587,915 in the corresponding period last year.

July output in Alberta at 2,470,041 barrels --95 per cent of the all-Canada total--showed a gain of 780,117 barrels over July last year. The month's production from sources in Saskatchewan amounted to 94,417 barrels as compared with 54,362, Northwest Territories 22,902 barrels as compared with 6,631, Ontario 20,984 barrels against 22,714, and New Brunswick 1,434 barrels against 1,689.

Production of natural gas in July amounted to 3,824,261 M cubic feet as compared with

3,582,634 in June, and 3,473,012 in July last year bringing the cumulative total for the seven months of this year to 40,217,490 M cubic feet as compared with 36,441,872 in the like period of last year.

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EMPLOYMENT, PAYROLLS HIGHER: Employment in the major non-agricultural industries showed a further rise at the beginning of August -- the fifth successive monthly advance-- and the Bureau of Statistics' index number, on the 1926 base, rose to a new midsummer peak of 204.1, up 0.9 per cent over July, and 1.8 per cent higher than at the beginning of August last year.

Disbursements in wages and salaries reached a new all-time high figure on August 1, showing an increase of 1.1 per cent over July 1, and an advance of 7.2 per cent over August 1, 1949. The figure for per capita weekly earnings -- also a new high -- was only slightly above the July 1 average, but 5.2 per cent higher than at August 1 last year.

Provincially, the most pronounced advances in the general index of employment as compared with July, were those of 2.9 per cent in British Columbia, and 4.3 per cent in Prince Edward Island. The trend in most of the 23 cities for which data are segregated was favourable, although curtailment was noted in seven centres. With the exception of trade (which was seasonally quiet), all the principal industrial groups reported a higher level of employment than at July 1; on the whole, however, the gains were moderate.

Further expansion, though on a smaller scale than at July 1 was noted in manufacturing generally at the beginning of August, when the index of employment rose 0.6 per cent and that of payrolls by 0.7 per cent. As compared with the same date last year, there were gains of 1.4 per cent and 7.7 per cent in the employment and payrolls indexes, respectively.

Among the non-manufacturing classes generally, there was also moderate improvement at August 1 as compared with a month earlier. The exception was trade, in which the reduction of 0.5 per cent was about average in extent. The amounts distributed in weekly salaries and wages in that industry, however, were slightly greater than at July 1.

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MAJ.-GEN. PENHALE RETIRING: Major-General Matthew Howard Somers Penhale, CBE, 55, of Edmonton, is retiring at the end of 36 years of distinguished service in the Canadian Army, the Minister of National Defence, Mr. Claxton, announced on October 11. Major-General Penhale is now General Officer Commanding the Army's Western Command, with headquarters at Edmonton, Alta., and saw active service in two world wars. Following the highly successful Exercise Sweetbriar, General Penhale's service was carried on for an additional year, Mr. Claxton said.



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WEEK'S EVENTS IN REVIEW

CANADIAN DOLLAR IS FREED: The Minister of Finance, Mr. Abbott, on September 30, issued a statement regarding the Canadian exchange rate. It read in part as follows:

"Last night I announced that the Foreign Exchange Control Board had instructed Canadian banks and other authorized agents to discontinue dealings in foreign exchange until further notice. Today the Government, by Order in Council under the authority of the Foreign Exchange Control Act, cancelled the official rates of exchange which, since September 19 of last year, had been calculated on the basis of a 10% premium for the United States dollar in Canada. It has been decided not to establish any new fixed parity for the Canadian dollar at this time, nor to prescribe any new official fixed rates of exchange. Instead, rates of exchange will be determined by conditions of supply and demand for foreign currencies in Canada.

"Banks and other authorized agents will deal in foreign exchange as principals, but they will continue to act as official agents of the Foreign Exchange Control Board for the issue of permits and in other matters relating to exchange control. The general structure of exchange control remains unchanged, including control over securities transactions between residents and non-residents and control over payments of Canadian dollars to non-residents.

"A resident receiving foreign exchange is still required to declare it to an authorized dealer. He must then either sell it immediately to an authorized dealer at the going rate of exchange, or, if he wishes, deposit it in a special foreign-currency bank account with his authorized dealer, in which case he may not make any other use of the foreign currency but may choose his time for selling it within a period of 90 days. A resident desiring to obtain foreign exchange must apply to his authorized dealer for a permit which, if granted, will allow him to buy the required foreign currency from an authorized dealer at the going rate of exchange.

"Merchants and other residents who are offered foreign currency by tourists are no longer required to pay any fixed rate of exchange, but may pay such rate as may be agreed on. No doubt such rate will be based on the rates currently being offered by banks for the purchases of foreign currency.

"A permit will still be required for the export of funds for travel abroad by Canadians, but it is planned to increase the amount which will be authorized for travel for any purpose so as to cover all reasonable travel expenditures. An announcement of the new regulations will be made within a few days when technical arrangements have been completed.

TO ADMIT GERMAN IMMIGRANTS: The Minister of Citizenship and Immigration, Mr. Harris, has announced that German nationals who heretofore, as enemy aliens, were inadmissible to Canada, are now admissible, subject to general regulations governing the entry of immigrants of other nationalities.

From 1939, under provisions of Orders in Council, the entry to or landing in Canada of enemy aliens was prohibited and, as a result, German nationals were not allowed to come to this country.

Regulations affecting German nationals were modified by Order in Council P.C. 1606 of March 28, 1950, which permitted the entry of otherwise admissible enemy aliens who could satisfy the Minister of Citizenship and Immigration that they were opposed to an enemy government; of immigrants of German nationality who were close relatives of legal residents of Canada; and of immigrants of German ethnic origin who were displaced persons or refugees and who were not German nationals on September 1, 1939.

APPLICABLE REGULATIONS

The Government of Canada has decided that, under present circumstances, it is appropriate to place immigration of German nationals on a peacetime basis.

By Order in Council P.C. 4364 dated September 14, 1950, all German nationals are now admissible to Canada as immigrants, provided they can comply with the provisions of the Immigration Act and Regulations. Under these Regulations they must satisfy the Minister of Citizenship and Immigration that:

- (a) they are suitable immigrants having regard to the climatic, social, educational, industrial, labour, or other conditions or requirements of Canada; and
- (b) they are not undesirable owing to their peculiar customs, habits, modes of life, methods of holding property, or because of their probable inability to become readily adapted and integrated into the life of a Canadian community and to assume the duties of Canadian citizenship within a reasonable time after their entry.

Mr. Harris stated that German immigrants who came to Canada in earlier years had become an important, industrious, and loyal element of the Canadian population.

STUDY RODENT BORNE DISEASES: A thorough study of the danger from diseases spread by small animals and ticks is being carried out in Saskatchewan this year as part of the National Health Programme, the Minister of National Health and Welfare, Mr. Martin, announced on September 29.

It is well known, public health authorities state, that the rat population is spreading in Canada and has now reached the Saskatchewan-

Alberta border. Rats are known to be carriers of plague, pseudotuberculosis, rat bite fever, leptospirosis and other diseases. It is also known that ticks capable of transmitting tularemia and Rocky Mountain spotted fever to humans have infected small animals such as ground squirrels and that the infection in these animals is spreading north from the United States and eastward in Canada.

The western branch of the federal Laboratory of Hygiene at Kamloops, B.C. has been carrying out studies of tick-borne and insect-borne diseases for the past 10 years.

\$10,000,000 EXPANSION PROGRAMME: The Minister of Transport, Mr. Chevrier, announced on September 28 that negotiations had been completed for the sale of approximately 130 acres of Crown property located on the east bank of the Welland Ship Canal, near Thorold, Ontario, to McKinnon Industries Limited. "This will allow for the proposed \$10,000,000 industrial expansion programme in that vicinity being undertaken by McKinnon Industries," said the Minister. "Construction of a malleable iron foundry and power plant will be undertaken and I have been assured that grading and ground clearing operations would begin immediately."

Acquisition by McKinnon Industries of the 130-acre tract will allow for a long term development by the Company calculated to meet the anticipated expansion in the automobile field and will include equipment and tooling for the Buick programme which provides for the reinstated Canadian manufacture early in 1951 of the Buick automobile.

INVESTIGATE ST. JOHN RIVER SYSTEM: The Department of External Affairs announced on September 28 that the Governments of the United States and Canada have agreed to ask the International Joint Commission to conduct an investigation of the St. John River system above Grand Falls, New Brunswick, in order to determine whether the waters of that system may be more beneficially conserved and regulated.

Canada's chief interest in this investigation lies in the possibility of providing water storage on the upper reaches of the St. John River system which would permit the regulation of the flow of the lower river in the interests of hydroelectric power generation in the Province of New Brunswick.

DISTRICT CONTROLLER OF AIR SERVICES: Appointment of H.J. Williamson as District Controller of Air Services, Department of Transport, with headquarters at Moncton, N.B., is contained in a joint announcement by the Minister of Transport, Mr. Chevrier, and the Civil Service Commission. Mr. Williamson fills the vacancy caused through the transfer of S.S. Foley to a similar position in Toronto, which was announced in August.

W.F. BULL ASST. DEPUTY MINISTER: Mr. W. Frederick Bull becomes an Assistant Deputy Minister of the Department of Trade and Commerce, in charge of the Commodities and Control Division, as the result of several promotional appointments announced on September 28, by the Minister of Trade and Commerce, Mr. Howe, with the concurrence of the Civil Service Commission. Mr. Denis Harvey succeeds Mr. Bull as Director of the Commodities Branch. Mr. G.A. Newman is the new Director of the Export Division, and Mr. Charles F. McGinnis the Director of the Import Division.

During his twenty-one years with the Department Mr. Bull has served in New York, Trinidad, New Zealand, and Washington, D.C. In Ottawa he has served as Chief of the Export Permit Branch, Director of the Export Division, and Director of the Commodities Branch. A native of Weston, Ont., and a graduate in Commerce of the University of Toronto, practically his whole career has been devoted to the public service.

Mr. Harvey graduated from McGill with honours in Economics, and joined the Department following the last war on his retirement from the Canadian Navy in which he served with the rank of Commander. He organized and has headed the Department's Import Division.

Mr. Newman graduated from the University of Manitoba, joining the Trade Commissioner Service in 1929. He served in England, New York and the British West Indies before returning to Ottawa in 1945 as Assistant Director of the Trade Commissioner Service, and then Assistant Director of the Export Division, of which he has recently been the acting head.

Mr. McGinnis, a graduate of the University of Western Ontario, joined the Department as Assistant Director of the Import Division upon its formation in 1945. He had previously been engaged in private business as an import broker and consultant in Toronto.

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N.A.T.O. ARMY PERSONNEL ARRIVE: First army personnel from the North Atlantic Treaty Organization to take military training in Canada have now reached Canada and have been assigned to the Canadian Joint Air Training Centre at Rivers, Man., the Minister of National Defence, Mr. Claxton, announced on September 29. Air Force personnel taking training under the same scheme have been here for some weeks and are already well into their training with the RCAF.

Three officers from the Italian Army and one from the French Army made up the first group of army arrivals, Mr. Claxton said. They are Majors Giovanni Prat, Stanislao Labbate and Alfonso Mantia, of Italy, and Capt. Maurice Victor Girau of France. Two more captains, one from each of the foregoing countries, are expected to arrive in Ottawa next week-end, and two sergeants from the Netherlands Army are due early the following week.

In addition to aircrew from the United Kingdom, there will be approximately 250 personnel from six European nations training here, including 50 student pilots, 50 student navigators, and up to 150 army officers and other ranks. Five nations definitely participating are France, Belgium, the Netherlands, Norway and Italy, and Portugal is expected to be the sixth.

Canada's offer to the nations signatory to the North Atlantic Treaty was announced by the Minister last March as a concrete means of aiding in the military programme of those nations.

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BRITISH WAR GRAVES FILM: Brig. Frank Higginson, CMG, Secretary of the Imperial War Graves Commission, is expected to arrive in Montreal aboard the Empress of Canada from the United Kingdom this week. Brig. Higginson will give illustrated lectures in Ottawa, Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver.

A. Lewis Watson, Secretary-General Imperial War Graves Commission (Canada) announced on October 2 that Brig. Higginson would conduct his lectures in conjunction with a film entitled "War Graves of the British Commonwealth and Empire." The picture shows how cemeteries and memorials are maintained by the Commission.

The first lecture will be in Ottawa October 9, by invitation of the Minister of National Defence, Mr. Claxton. All other lectures will be staged in co-operation with the Canadian Legion, British Empire Service League.

The picture, covering both the Second World War and the Great War, 1914-18, includes shots of such famous memorials and cemeteries as the Menin Gate and Vimy Memorials; La Chaudiere Cemetery, Dieppe, Beny-sur-Mer and Moro River Canadian Cemeteries, Cassino and Arnhem.

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RCAF SERVICE EXTENSION: A one-year extension of service has been offered the majority of Air Force officers due for release in October, 1951, under the RCAF's short-service commission programme, it was announced on September 29 by Air Force Headquarters. The accelerated expansion of the RCAF has made this move necessary.

Approximately 130 officers, all aircrew, were eligible for release on October 1, 1951, under the RCAF's plan to keep about 50 per cent of aircrew officers in the ranks of flying officer and flight lieutenant engaged on terms of five or six years. Purpose of this programme is to ensure that the average age of aircrew officers actively engaged in flying duties is maintained at a relatively youthful level. In addition, the officers going back into civilian life give the RCAF a youthful but highly-trained reserve available for immediate call-up during national emergency.

NEW GOVERNORS FOR FILM BOARD: The Minister of Resources and Development, Mr. Winters, announced on October 2 the appointment of a new nine-member governing body for the National Film Board. Five members are from outside the public service, four from within. A woman is included in the Board for the first time.

The non-governmental members, representing the main geographical regions of Canada, are: Dr. A.W. Trueman, of Fredericton, President of the University of New Brunswick; Gratien Gélinas, Montreal actor and playwright; Charles S. Band, Toronto industrialist; Mrs. A.L. Caldwell, of Saskatoon; James Stuart Keate, Victoria publisher.

Members from the public service are: A.D.P. Heeney, Under Secretary of State for External Affairs; Arthur MacNamara, Deputy Minister of Labour; Charles Stein, K.C., Under Secretary of State, and W. Arthur Irwin, Government Film Commissioner.

Dr. Trueman, head of the University of New Brunswick, was previously President of the University of Manitoba. He is a former member of the Board of Governors of the Canadian Broadcasting Corporation.

Gratien Gélinas is widely known by his stage name, Fridolin. As actor, playwright and producer he has become the best-known stage personality in French Canada.

Mr. Band is chairman of the Gutta Percha Rubber Company. He is a director of the Ontario Chamber of Commerce, a member of the National Council of Education, and a former president of the Art Gallery of Toronto.

Mrs. Caldwell, the sole woman member of the Board, is a vice-president of the National Council of Women. She is the only woman member of the Senate of the University of Saskatchewan, and serves on the advisory board of the Y.W.C.A.

Mr. Keate is the recently-appointed publisher of the Victoria Times and Colonist. He is one of Canada's best-known newspapermen, having worked with the Vancouver Daily Province and the Toronto Daily Star. Until this year, he was head of Time Magazine's Montreal bureau.

A.D.P. Heeney, Arthur MacNamara and Charles Stein are civil servants with distinguished records in public service.

The Government Film Commissioner, W. Arthur Irwin, will replace the Minister as Board Chairman. The latter will continue to be responsible for the operations of the Board.

Mr. Winters indicated that the new Board would probably hold its first meeting about the middle of October.

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NEW YORK TRAVEL OFFICE: The Minister of Resources and Development, Mr. Winters, announced on October 2 the opening of a Canadian Government Travel Bureau office in New York City. Coupled with the announcement was the further statement from the Minister that Alan

Field, former secretary of the National Film Board, has been appointed by the Civil Service Commission as manager of the New York Branch of the Travel Bureau. Mr. Field was formerly private secretary to the Minister of National Health and Welfare, Mr. Martin. He has been secretary to the Film Board for the past four years.

Mr. Winters said that the office in New York would be located in Rockefeller Centre at 11 West 49th Street at Fifth Avenue. The New York office, said the Minister, will provide a new outlet for Canadian travel information in the New York area as well as in the mid-Atlantic States. He said that action was taken in this connection so that the lucrative New York travel market might be more efficiently serviced with Canadian travel information.

Already a number of foreign countries have travel offices in New York City and it was felt that if Canada is to meet the continuing competition from other resort areas a New York travel office was a logical step in the expansion of the Travel Bureau's activities. Establishment of a Canadian travel information office was recommended at the 1949 Federal-Provincial Conference held in Ottawa.

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BUILDING MATERIAL COSTS RISE: Wholesale prices of both general and residential building materials moved upward again in August, according to the price indexes compiled by the Bureau of Statistics, but in each case the month's increases were somewhat less than in July.

The Bureau's index of general building materials rose 2.8 points to 227.0 from 224.2 for July. This compares with a July increase of 5.8 points from 218.4 for June. The index has moved upward without interruption since September last year when it was at the 1949 low point of 197.6, but most of the eleven-month increase of 29.4 points has occurred since last April when it stood at 206.1.

The composite index of residential building materials showed a smaller advance of 2.4 points from 245.2 for July to 247.6 for August. At the August level the index was 21.3 points above August, 1949, when it stood at 226.3. It has had an unbroken rise of 20.6 points from 227.0 for last March.

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CANADIAN ARMY SPECIAL FORCE: Members of the Canadian Army Special Force will have at least 72 hours special leave to visit their families before embarkation in the event that the Force leaves Canada, Army Headquarters has announced. In addition, necessary travel time and full-paid travel warrants will be granted.

Most members of the Force now (September 29) are on their first leave since joining up, having been granted four days off at the conclusion of their basic training period. Next week they move on to advanced training.

EASTERN ARCTIC PATROL: Sailing in the Transport Department vessel "C.D. Howe", the Eastern Arctic Patrol have just completed a 10,000 mile expedition to the Canadian North.

This was the 28th expedition of the eastern Arctic Patrol, now a combined effort of six government departments pooling equipment and such northern services as administration, medical, postal, hydrographic survey and welfare aids. The officer in charge of the Patrol was Alex Stevenson, (Verdun, P.Q.) Arctic Division, Department of Resources and Development. He was assisted by G. Johnston (Ottawa) of the same Department.

Members of the expedition visited fifteen settlements. The Patrol handled a huge volume of mail, started the 1951 census rolling in the Arctic and sailed as far as Dundas Harbour, 2,500 miles north of Ottawa. The Patrol sailed from Montreal July 17 and returned to base September 25.

Many passengers were picked up or dropped along the way, among them the Right Reverend D.B. Marsh, Bishop of the Arctic, Oblate Missionaries, Hudson's Bay Company officials and Eskimos moving from camp to camp. At River Clyde fifteen members of the Arctic Institute Expedition were taken on board. This party had spent the spring and summer of this year on a Baffin Island glacier collecting scientific data.

The success of the Patrol this year was darkened by the loss of one of its members, the interpreter, S.G. Ford of St. John's, Newfoundland. Mr. Ford lost his life in the crash of a helicopter, part of the equipment aboard the "C.D. Howe".

When the Patrol visits a settlement in the Arctic, Eskimos congregate from miles around. At each port the doctor on the Patrol examined the Eskimos. A dentist was kept busy checking, extracting and filling teeth for Canada's northern citizens, whites and Eskimos. This year, with modern equipment, more than a thousand Eskimos were checked by X-ray. The general standard of health was good and there was a remarkable improvement in the children. This was felt to be the effect of nutritious foods given in payment of family allowances which are intended to supplement, not supplant, the regular Eskimos diet of flesh, fowl and fish.

Members of the Patrol, this season, organized plans for the task of taking the 1951 census in the Arctic.

Members of the party declared that the polar weather had been wonderful: "Sunny skies, light winds and calm seas were the order of the day". They were amazed to learn that southern Canada had experienced such a cold summer.

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EMPLOYMENT INCREASES: The Minister of Labour, Mr. Gregg, issued the following statement on the current employment situation on October 3:

The increasing tempo of manufacturing activity and peak farm labour needs for har-

vesting highlighted the employment scene during the first half of September. In some areas, shortages of farm workers increased, since cold weather had delayed some harvests until after students who normally work on farms had returned to school. In general, the strong demand for Canadian goods and services both at home and abroad and the maintenance of large investment expenditures are resulting in continued declines in the numbers of jobless workers.

On September 14, there were 140,300 registrations for employment on file at National Employment Service offices, a decline of 11,300 from the first of the month, and only 1,500 above the total a year ago. Registrations on hand from men alone were 12,000 below the total at the same time last year. The largest decline in registrations in the first two weeks of September occurred in the Prairie and Ontario regions; in the Maritime region, there was a slight increase.

Recent defence orders have created many new jobs in shipyards and aircraft factories in Ontario and Quebec, and experienced workers are much in demand. Many primary iron and steel plants and steel fabricating firms are also increasing their staffs. Numerous vacancies are on hand for skilled machinists, tool and die makers and moulders, and shortages of suitable applicants exist in some cases. Employment in sawmills and smelters was also at high levels, as a result of the continuing strong demand for lumber and base metals in the United States. The seasonal increase in production in some textile firms and canning factories meant some improvement in the employment situation for women, although the number of women registering for work at local employment offices was still 13,700 above that of last year.

Shortages of skilled construction workers continue in most areas, as the construction industry reaches its seasonal peak. The mining industries in Northern Ontario and Quebec were reporting some difficulty in securing an adequate supply of workers, and were depending on immigration to meet some of their needs. Shortages of labour continue also in the lumber and logging industries in most sections, although the end of the pulp peeling season in the Maritimes had temporarily reduced labour needs there.

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WAGES AT NEW PEAK FOR AUGUST 1: Industrial employment and per capita weekly wages and salaries for all Canada again moved upward at the beginning of August, according to advance figures issued by the Bureau of Statistics. Although the general gain throughout the country was moderate, it brought employment to a higher level than at August 1 in any other year, while per capita weekly wages also reached a record for that date.

The advance index number of employment on the base 1926 equals 100, stood at 204.1 as

compared with 202.3 at July 1, and 200.5 at August 1 last year. The previous peak figure for midsummer was 200.9 at August 1, 1948. There was an increase of 1.1 per cent in the advance index number of payrolls as compared with July 1, bringing it to 7.2 per cent above the level indicated a year ago! Per capita weekly wages and salaries among leading firms in the eight major industrial divisions moved up to \$45.26 from \$45.13 at July 1, and \$43.01 at August 1, 1949.

Greater activity was reported in manufacturing, transportation, construction and certain other non-manufacturing industries as compared with July 1. Trade was generally quiet, small seasonal declines in employment being recorded in most provinces.

Regionally, employment showed gains over July 1 in all provinces except New Brunswick, where a decline of 3.9 per cent was recorded. The increases in the other provinces ranged from 0.2 per cent in Ontario and 0.8 per cent in Manitoba to 2.9 per cent in British Columbia and 4.3 per cent in Prince Edward Island.

In manufacturing, the advance index number of employment rose from 208.0 at July 1 to 209.3 at the first of August, which compares with 206.4 at August 1, 1949. The index number of payrolls in these industries increased by 0.7 per cent from July 1, and exceeded by 7.7 per cent the level of August 1, 1949. The advance figure of per capita weekly earnings of wage-earners and salaried employees on the staffs of leading factories at August 1 was \$46.78 as compared with \$46.73 at July 1, and \$44.04 at the beginning of August last year.

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GRAIN MISSION FOR EUROPE: The Minister of Trade and Commerce, Mr. Howe, announced on September 29 that a three man grain mission would leave immediately to visit the United Kingdom and western European countries. The mission will call upon the grain trade, millers and government authorities with a view to facilitating the trade in Canadian wheat, grain and flour in that area. The mission is headed by Dr. C.F. Wilson, Director of the Wheat and Grain Division of the Department of Trade and Commerce. The other members are Mr. R.W. Milner, Commissioner of the Board of Grain Commissioners for Canada and Mr. J.B. Lawrie, Executive Assistant to the Canadian Wheat Board.

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INSTALMENT SALES ADVANCE: There was a further increase in the proportion of retail sales on the instalment basis during the second quarter this year, according to the quarterly survey of 16 major credit-dealing trades by the Bureau of Statistics. At the same time the ratio of cash sales was unchanged from the previous quarter, and charge sales fell off.

Continuing a steady upward movement from the second quarter last year, sales on the instalment basis rose to 9.3 per cent compared

with 9.2 per cent in the first quarter and 8.3 per cent in April-June, 1949. Cash sales accounted for 62.8 per cent of total sales in both the first and second quarters this year, and were down from 63.2 per cent in the second quarter last year. Charge sales were down to 27.9 per cent from 28 per cent in this year's first quarter and 28.5 per cent for the second quarter of 1949.

Instalment sales were up 18 per cent in volume during the April-June period this year over the same period of 1949, the index number, on the base 1941=100, rising to 180.9 from 153.5. The charge sales index for the combined 16 trades decreased from 203.8 to 202.8, and the cash sales index advanced from 216.7 to 218.0.

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AUTO SHIPMENTS CONTINUE GAINS: Factory shipments of Canadian-made motor vehicles during August were down sharply from June and July -- the peak months for this and recent years -- but were again higher than in the corresponding month of 1949, raising still further the record cumulative total for the year. Shipments of vehicles imported from the United States increased over July and a year earlier, while sales of British-made vehicles were close to the average of the previous seven months.

The month's shipments of Canadian-made vehicles totalled 24,272 units as compared with 40,131 in July and 20,475 in August last year. The gain of 18.5 per cent over last year raised the cumulative total for the eight months ending August to 256,168 units as compared with 185,973 in the similar period of 1949.

Shipments of vehicles imported from the United States amounted to 1,613 units as against 448 in August last year and for the eight months totalled 13,438 compared with 7,428 in the 1949 period. Sales of British-made vehicles in the month numbered 6,108 units, according to preliminary figures, and in the eight months totalled 49,070 units. Comparative figures on sales of British-made vehicles last year are not available.

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WHOLESALE PRICES AT NEW PEAK: Continuing an unbroken series of monthly advances since the first of the year, wholesale prices in Canada reached another new peak in August, according to index numbers compiled by the Bureau of Statistics. The August index, on the base 1926 equals 100, stood at 168.5 as compared with 166.9 in July, and 155.4 in August last year. At the beginning of this year the index stood at 157.1.

Among a group of selected commodities, there were advances in wholesale prices between July and August ranging from 14.3 per cent for sheepskins to 50 per cent for tallow. Wholesale prices for raw rubber advanced 31.5 per cent, calfskins 28.6 per cent, raw sugar

25.3 per cent, canned peas 25.0 per cent; automobile tires 20.7 per cent, pepper 15.3 per cent, and toilet soap 14.6 per cent. Declines ranged from 3.9 per cent for No. 1 Northern wheat to 19.5 per cent for potatoes.

Increases over July were recorded by six of the eight sub-group indexes, vegetable products, and iron products remaining unchanged. Largest advance in the month was shown for the textile group which rose from 165.6 to 172.7.

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(Continued from p. 1) CANADIAN DOLLAR IS FREED

"One result of the new system of establishing exchange rates is that the so-called unofficial rates for Canadian dollars in New York and other centres will now disappear. The rate will be basically the same in Canada and abroad, although certain local variations may be expected, particularly in transactions in bank notes, as a result of time differences, transportation costs, and special local conditions. Fluctuations in the basic rate will no doubt occur from time to time in accordance with changing conditions of supply and demand. After a short transitional period it is expected that reasonably stable conditions will develop in the exchange market.

"From what has been said, it will be seen that the change from a fixed rate of exchange to a market rate does not involve the abandonment of the foreign exchange control system. A few consequential amendments of the Foreign Exchange Control Regulations will be necessary but the number of these will be small. The objective is to maintain the structure of control in its familiar form as a defence against possible adverse conditions in the future. Actual restrictions will be few. Residents will still require a permit to export capital from Canada and such permits will not normally be granted except for necessary business operations and certain amounts exported by emigrants. Similarly, non-residents will still be required to obtain a permit in order to withdraw capital from Canada and such a permit will normally not be granted except in the case of sale of fixed assets in Canada or liquidation of capital investments made since 1939 and recorded with the Foreign Exchange Control Board. Non-residents will, of course, still be able freely to transfer Canadian currency, securities and other assets among themselves, so that, for example, a non-resident holding Canadian dollars may dispose of them to his bank in the United States in the same manner as heretofore."

The Minister's statement went on to review the background of the present action. In recent months there had been a growing tide of capital movements out of foreign currencies into Canadian dollars. This had been in part useful long-term investments based on a belief in the long run soundness of Canadian financial and economic conditions. In large part, however, particularly in the last few weeks, he

said, "it has been a speculative movement in the hope of fairly early action to restore the Canadian dollar to a parity with the United States dollar."

Mr. Abbott announced Canada's official reserves of gold and United States dollars to have been about \$1,789 million (preliminary) on September 30, a total increase over the past three months of approximately \$532 million, of which over \$285 million occurred during the month of September.

He added on that point:

"An influx of funds on this tremendous scale would, if it continued, be likely to exercise an inflationary influence in Canada at a time when government policy in all fields is directed to combatting inflationary developments. Moreover the accumulation of foreign exchange under such conditions would mean that Canada was in effect incurring a substantial increase in its gross foreign debt and annual service charges without any corresponding increase in its productive resources or ability to export."

The statement said in conclusion:

"The Government has also decided to announce at this time that all the remaining import prohibitions and quota restrictions under Schedules I and II of the Emergency Exchange Conservation Act will be removed effective January 2, 1951... My colleague, the Minister of Trade and Commerce, will be reviewing the operation of Schedule III of the Act (the capital goods section) with a view to ascertaining the appropriate degree and timing of relaxations in that field."

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CREDITORS OF I.G. FARBEN INDUSTRIES: The Department of External Affairs has learned that all creditors with outstanding claims against 170 former companies controlled by the I.G. Farben industries, which is presently in dissolution, are required to file their claims with the Tripartite I.G. Farben Control Office, 28, Mainzerlandstrasse, Frankfurt/Main, Germany, according to the instructions issued by the occupation authorities.

Creditors affected are those who have their legal residence, head office or principal place of business within Germany, before November 7, 1950; outside of Germany but within Europe, before December 7, 1950; outside of Europe, before February 7, 1951.

The claims should be filed in three copies, separately for each debtor company, and should contain the following statements: (a) full name and address of the creditor; (b) the creditor's present domicile and nationality and his domicile and nationality at the time when his claim came into existence; (c) name of the debtor company; (d) amount of the claim as at July 5, 1945; (e) brief description of the claim and its origin; (f) reference to records evidencing the claim, and to correspondence, if any, referring to such claim.

CANADA'S SPECIAL FORCE AVAILABLE IN EUROPE

MR. ST. LAURENT'S KINGSTON ADDRESS: The following is an excerpt from the address of the Prime Minister, Mr. St. Laurent, at the Royal Military College Club of Canada Annual Meeting at Kingston, Ont., on September 30:

"The creation of the Special Force means that from now on we will have a Canadian Force in being available to assist, without undue delay, in discharging a part of our obligations under the UN Charter and the North Atlantic Treaty. At the present time the Force is being trained for service in Korea, if that seems to be the right place to send it when it is trained and ready. But there are other areas in the world; for what has happened in Korea might be repeated, and it might be that our Special Force would be despatched to some entirely different place if circumstances warranted and Parliament approved.

DETERRENT FORCE

"Provided the Korean incident is successfully terminated before too long a time has elapsed, the Special Force would be available for service as part of a deterrent force in Europe, if its employment there would fit in effectively with the joint plans. Meanwhile, as you all know, the most important obstacle to the creation on the Continent of Europe of extensive ground forces is the shortage of equipment and of the capacity to produce equipment, weapons and supplies: I don't need to tell you either that, speaking generally, it takes longer to get into large-scale production than it does to train men to a fighting pitch. For the immediate future, therefore, so far as Europe is concerned, there is a most urgent need for military supplies to be put into the hands of the men who are already there.

"Now I must admit I have been rather surprised to see that this point has been misinterpreted in certain quarters and that it has been suggested that Canadians are going to be too busy producing munitions to do any of the fighting. It seems to me Canada's proud record of participation in two world wars is a simple and sufficient answer to any such suggestion. But at present there is no fighting going on in Europe, and what we are concerned about is trying to prevent another war starting over there, and that means putting up the best possible evidence of united ability and

readiness to resist and overcome any possible aggression.

"To help at once to meet the pressing need for armed forces on our side in Europe, the Government recommended to Parliament earlier this month that \$300,000,000 be appropriated to provide munitions and supplies for our partners in the North Atlantic Treaty, and Parliament overwhelmingly approved that recommendation.

"At the same time and in addition to producing and providing munitions and supplies, we are strengthening all our own forces as rapidly as possible. We are pressing on with recruitment for our own regular forces; we are raising their ceilings as we go along. We have in training here at R.M.C., in the Universities and elsewhere a large number of officers for the three services. We are speeding up planned rates of production in nearly every line of military equipment. We are proceeding with the putting into commission of ships in the Navy just as fast as men can be trained and the ships can be successively modernized, and we are also procuring a number of new ships. Our training facilities as well are being enlarged.

F86 FIGHTERS

"As you know, we are producing the F86 fighters and the 'Canuck', the only two seater jet propelled fighter of its kind in the world. To provide additional immediate combat strength we have bought a large number of fighter aircraft from the United States. In addition to our own men we are training here in Canada, in increasingly large numbers, aircrew and army officers from the United Kingdom and several countries in Western Europe....

"Despite the gloomy outlook in the world at the present time, I remain an optimist about the possibilities of a third world war. I may be wrong but I have always thought that we are likely to hasten the coming of such a catastrophe if in our own minds we regard it as inevitable. But we must face the facts, all the facts, and while trying to build for the future and make this earth a better place to live in for those who come after us, we cannot afford to be unprepared to deal successfully with those evil forces whose aim is to undermine, by every means, our free way of life...."

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SPECIAL FORCE ANTI-TANK GUN: Infantry units of the Canadian Army Special Force are to be equipped with the famed 17-pounder anti-tank gun, the Minister of National Defence, Mr. Claxton announced on October 4. The British-designed weapon will replace the present in-

fantry 6-pounder. This move will add more anti-tank "punch" to the three infantry battalions of the Force. It was recently announced by Mr. Claxton that units would also be equipped with the new United States 3.5 rocket launcher.

CANADA AT THE UN: The Secretary of State for External Affairs, Mr. Pearson, spoke on the Korean situation at the United Nations Assembly on September 27.

Mr. Pearson declared, according to the UN press report, that during its brief history, the United Nations had existed under a shadow of fear, that the problems arising out of one great war would resolve themselves in a new war. This danger had been brought closer by the warfare in Korea, where men were fighting and dying for the cause of the United Nations.

The Korean war, Mr. Pearson continued, was "but the continuation by armed and open aggression of the policies which communist imperialism has been pursuing by other means." Systematically and methodically, the forces of communist imperialism had been trying out that part of the theory of communism that the disruptions of a postwar period give to a communist minority its best chance to seize power by force. Only one country in which Soviet forces were actually present in the postwar period had been able to throw off the control of the Kremlin, and even that country now felt itself gravely menaced. It remained to be seen, added Mr. Pearson, whether continental China would be brought into the orbit of this "international conspiracy."

REPUBLIC OF KOREA INVADED

In Korea, conditions had seemed admirably suited for communist seizure of the whole country, but the attempt was more open and violent than usual, and it was met with collective United Nations resistance. Despite all propaganda camouflage, the fact that North Koreans invaded the Republic of Korea was clear.

"This was not a coup d'État engineered by a minority as in Czechoslovakia, nor a régime imposed by an occupying force as in Rumania," Mr. Pearson declared. "This was armed invasion."

Such a sudden assault on a peaceful nation had an "obvious meaning" for all peace-loving nations, and hence the speed and determination which many free democracies, Canada included, applied themselves to the task of jointly building up their defences against aggression.

Continuing, Mr. Pearson said that the effect of the North Korean aggression within the United Nations had been to give overwhelming support to the organization in its crisis; it also demonstrated that, with very few exceptions, the members were not able to make that support immediately effective.

"We have, I hope, learned the lesson of this experience," said Mr. Pearson. "We have also learned, however, that the United Nations can act in response to a challenge; that it is no longer remote from reality, a mere international talkshop."

Events were rapidly demonstrating in Korea that aggression did not pay, he said. It would soon be necessary for the United Nations to

show with equal vigour and resourcefulness that it could deal with postwar problems in Korea. As hostilities drew to a close there, and the Assembly took up its new responsibilities, certain specific principles should govern its decisions, and those principles should be embodied at once in an Assembly resolution.

GENERAL OBJECTIVE

First, the general objective of the United Nations should be to fulfil the purposes repeatedly stated at previous assemblies; a united, free Korea governed by the Korean people themselves without outside interference. "This should be achieved by United Nations action and not through decisions reached by certain of its members," Mr. Pearson added.

Second, the United Nations must assist the Korean people to establish peace and order throughout their territory as the firm foundation for democratic institutions and free self-government. This was the time for the aggressors to cease fire, to admit defeat. If they did, it might not be necessary for United Nations forces to advance far beyond their present positions.

"The United Nations, however," he said, "leave its forces free to do whatever is practicable to make certain that the communist aggressors of North Korea are not permitted to re-establish some new base in the peninsula from which they could sally forth again upon a peaceful people."

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NATIONAL NOTES

Lord Elgin, grandson of the man who governed Canada from 1847 to 1854, stayed at the Lord Elgin Hotel in Ottawa this week. He is here as a member of a commission studying revision of the BBC charter.

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Mr. Frederick J. Osborn, one of Britain's outstanding town planning experts, is visiting Canada under the auspices of the Community Planning Association of Canada, the Federal District Commission and the National Capital Planning Service, beginning Sunday, October 1.

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Carloadings on Canadian railways for the week ended September 23 reached the 90,000 mark for the first time this year. The week's total was 90,307 cars, showing an increase of 4,314 cars over the same week last year.

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Mr. G. Herbert Lash, who was Director of Public Information at Ottawa during the war years 1940 to 1942, is to succeed Walter S. Thompson as Director of Public Relations for the Canadian National Railways.

DESTROYERS IN COASTAL ASSAULT. At Japanese Naval Base, October 3 -- The Canadian destroyers Cayuga, Sioux and Athabaskan have returned to port after taking part in operations in support of the United Nations amphibious assault on Inchon, on the west coast of Korea.

The ships had been at sea for more than two weeks, ever since the eve of the Inchon invasion. Their job was one familiar to the Royal Canadian Navy. They were assigned, with other ships, to guarding the supply line to the beachhead, escorting ships carrying vital fuel and ammunition to the United Nations forces.

The Canadian ships and units of the South Korean Navy formed a task force placed under the command of Captain Jeffrey Brock, D.S.C., R.C.N., commanding officer of H.M.C.S. Cayuga and senior officer of the Canadian Destroyer Division. They patrolled the southern flank of the invasion area and kept a close watch on enemy activity between Inchon and Kunsan. The destroyers were also prepared to act as an anti-submarine hunter-killer force if required.

POSSIBILITY OF AIR ATTACKS

Throughout the whole operation there was a distinct possibility of enemy air attack on the oilers and ammunition ships under the Canadians' charge, and for this reason information regarding ship movements was closely guarded. However, the expected air attacks did not materialize.

The Canadian ships' crews got into a good share of action along the Korean coast. During a patrol on 2-plus 2 days, H.M.C.S. Sioux (Commander P.D. Taylor, R.C.N.) found three floating mines and exploded them with gunfire. These were the first mines encountered by the Canadian ships since their arrival.

Later, H.M.C.S. Athabaskan (Commander R.P. Welland, D.S.C., R.C.N.) located a minefield in the approaches to Kunsan and detonated five of the mines. On September 23 the Cayuga and Athabaskan teamed up to bombard shore installations on an enemy-held island north of Kunsan, inflicting heavy damage.

The next day the Athabaskan selected gun emplacements and troop concentrations in the approaches to Taechon harbor as her targets, scattering the defenders, knocking out the gun positions and leaving warehouses in flames.

The Canadians frequently helped liberated Korean villagers to get back to their homes, provided them with food supplies and guaranteed them sanctuary for fishing.

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SPECIAL SERVICE SQUADRON IN SWEDEN: HMCS Magnificent, at Gothenburg, Sweden, October 4 -- The Canadian Special Service Squadron and its 1,600 goodwill ambassadors made history on October 3, the arrival here of H.M.C. ships Magnificent, Huron and Micmac marking the first visit the Royal Canadian Navy has ever made to Sweden.

The Magnificent and her two escorting destroyers left Oslo, Norway, on October 2, with

full departure ceremonies being observed by both Canadians and Norwegians. Crowds lined the docksides to wave farewell and it was apparent that the week-long visit had made a host of new friends for Canadian sailors and for Canada. In the crowd that watched the ships depart were E.J. Garland, Canadian Minister to Norway, and his legation staff.

During the week, Canadian sailors led by Rear-Admiral E.R. Mainguy, OBE., and Commodore K.F. Adams, responded to an appeal from Red Cross headquarters in Oslo to replenish blood banks

WREATH-LAYING CEREMONIES

The round of official functions and formalities included two wreath-laying ceremonies. The first was on the scene of the slaying of Norwegian patriots by German military police during the Second World War. Here Admiral Mainguy placed a wreath on behalf of the Special Service Squadron.

In an Oslo cemetery, commemorating British war dead, Commodore Adams placed a second wreath in remembrance of seven Canadian flyers buried here. The squadron also had a part in marking the close of the Norwegian capital's 900th anniversary celebration.

In one of Oslo's finest hotels, at a formal state dinner for Admiral Mainguy and 15 of his officers, the Norwegian Minister of Communications, Mr. N. Langhelle, the host, paid tribute to the Canadian naval effort in the Second World War and tendered his Government's welcome to the Canadian Special Service Squadron.

On Friday, September 29, Admiral Mainguy was received in audience by King Haakon of Norway.

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EXCHANGE RESTRICTIONS RELAXED: The Minister of Finance, Mr. Abbott, announced on October 4 that, as forecast in his statement on Saturday, September 30, Canadian residents will, in future, be able to obtain permits to spend any reasonable amounts of U.S. dollars for all types of bona fide travel expenditures in the United States. The limitation on pleasure travel expenditures to \$150 in a twelve-month period, which has been the rule since November, 1947, will no longer apply.

A Form H travel permit must still be obtained and surrendered to Customs at the time of leaving Canada if a traveller is taking out of Canada more than \$50 in U.S. funds or more than a total of \$100 in both U.S. and Canadian funds. Banks and other agents of the Foreign Exchange Control Board will, however, be authorized to approve Form H permits for amounts up to \$500 per trip for business travel and up to a total of \$500 during the calendar year for travel for other purposes. Applications for larger amounts may be referred to the Board and will normally be approved for genuine travel expenditures in any reasonable amounts, having regard to the duration of the proposed journeys.



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WEEK'S EVENTS IN REVIEW

45 P.C. GAIN IN AUGUST EXPORTS TO U.S.:

With a further marked gain in shipments to the United States and a small increase to Latin American countries offsetting declines to the United Kingdom, other Commonwealth and other foreign areas, Canada's total domestic exports were slightly higher in August than in the corresponding month last year. It was the fourth successive monthly gain and the fifth this year, and is noteworthy in view of the railway strike, which affected shipments to the United States particularly.

Total value of the month's domestic exports was \$257,100,000 as compared with \$251,700,000 in August, 1949. For the first eight months this year the aggregate value was \$1,941,400,000 as against \$1,917,600,000 in the same period last year.

Exports to the United States in the month were valued at \$167,148,000, up nearly 45 per cent from last year's corresponding total of \$115,353,000. The total value for the eight months amounted to \$1,240,292,000 as against \$910,604,000 a year earlier, an increase of over 36 per cent. It is apparent that only a minor part of this increase is due to the higher value of United States dollars, in effect since September 18 last year. Exports to the United States accounted for 65 per cent of the total to all countries in the month as against 45.8 per cent a year earlier, the eight-month

proportion standing at 64 per cent as against 47.5.

There were gains in exports to the United States in all main commodity groups in August, largest increases being shown in animals and animal products, wood, wood products and paper, and non-ferrous metals and products. The animals group rose to \$22,966,000 from \$13,668,000, wood, wood products and paper to \$88,718,000 from \$61,021,000, and non-ferrous metals and products to \$21,644,000 from \$16,132,000.

Exports to the United Kingdom were down a third both in August and the eight-month period. The August value was \$42,544,000 compared with \$62,882,000, and that for the cumulative period was \$313,629,000 compared with \$469,041,000. Seven of the nine main commodity groups were lower in both periods, the exceptions being non-metallic minerals and chemicals. Agricultural products fell in value to \$16,179,000 from \$23,975,000, and non-ferrous metals to \$13,836,000 from \$14,373,000.

Exports to other Commonwealth countries fell in the month to \$10,800,000 -- the lowest level in years -- from \$24,800,000, and in the eight-month period declined to \$121,900,000 from \$222,800,000. Shipments to the Union of South Africa were down in August to \$1,633,000 from \$8,765,000, India to \$2,774,000 from \$3,598,000, Australia to \$1,713,000 from \$2,-

EMPLOYMENT SITUATION: At the beginning of September, the stepped-up defence programme and the increase in demand for many products continued to provide a strong impetus to an expansion in employment in leading industries. During the railway dispute, however, some firms temporarily laid off workers, while others postponed making scheduled additions to their staffs. As a result, registrations on hand at National Employment Service offices increased to 151,600 on August 31, about 5,000 above the number on hand at August 17, but 6,500 below the total at the beginning of the month, the Minister of Labour, Mr. Gregg, announced on September 21.

This increase in registrations in the latter half of August, the first in almost five months, was concentrated in Ontario and the Prairie regions, where most of the layoffs of non-railway workers occurred. In both Newfoundland and the Quebec regions, total registrations declined in the two weeks of the strike, and in the Maritimes and British Columbia, the increases were relatively slight, his statement proceeded.

MORE MARRIED WOMEN SEEK EMPLOYMENT

The employment situation for women continues to be much less favourable than for men. At August 31, there were 54,000 registrations from women on hand at National Employment Service offices, 14,300 more than at this time last year. Industries which employ large numbers of women, such as textiles and services, have not shared in the recent expansion. Reports from managers of local Employment Service offices indicate that married women are seeking jobs in much greater numbers than last year, in large part because of the rise in the cost of living. These married women will be difficult to place in jobs as long as employers continue to express a preference for single women.

Primary iron and steel, non-ferrous metals, electrical apparatus and pulp and paper are among the manufacturing industries which continue to respond to the stimulus of increased demand for their products in both Canada and the United States. Until the rail dispute, this was reflected in an increase in manufacturing employment. Now that the railways are once more in operation, many new hirings can continue as scheduled, and for the balance of this year employment in manufacturing is expected to be above the high level reached in 1949.

Neither agriculture nor logging was seriously affected by the strike, and in both these industries demand for labour continued heavy. Although recent frosts have reduced the western wheat crop considerably, the need for harvest workers continues strong, especially as the Manitoba harvest coincides with that in Saskatchewan this year. Demand for labour in the pulp and lumber cutting in most sections of the country exceeded the supply, and the heavy cut of pulpwood and lumber is expected

to continue throughout the rest of the year. The construction industry is now close to its seasonal peak and a shortage of skilled workers continues.

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OPEN INSTITUTE OF AEROPHYSICS: The University of Toronto's Institute of Aerophysics at Downsview Airport, just north of Toronto, was opened on September 26 by Air Marshal W.A. Curtis, CB, CBE, DSC, ED, Chief of the Air Staff, representing the Minister of National Defence, Mr. Claxton.

A gleaming steel sphere, higher than a three-storey building, is the Institute's key piece of equipment. Air is pumped from the sphere until something better than 99 per cent vacuum is attained. Then, when a valve is opened, the air whooshes back in through the wind tunnel at speeds up to seven times the speed of sound. Stationary models in the tunnel are studied and the shock waves photographed as the air rushes past. The experiments show precisely what would happen if the model itself were travelling thousands of miles an hour.

DR. PATTERSON DIRECTOR

Director of the Institute and designer of its laboratory is Dr. Gordon N. Patterson, Professor of Aerodynamics at the University of Toronto and one of the continent's best brains in supersonic research. The Canadian who set up the Australian Government's aerodynamics lab during the war, he is now a member of the aerodynamics panel at the U.S. Naval Ordnance Laboratory, White Oak, Md., where he spends one week in four. Dr. Patterson says the two primary purposes of the Institute are: (a) to train scientists in the basic physics of gases, applied aerodynamics and ballistics with special emphasis on rocket propulsion and supersonic flight, and (b) to conduct research in these fields and develop practical applications. An advisory committee has been appointed to keep Dr. Patterson in close touch with design problems encountered by industry and the armed services.

Representatives of Canadian and U.S. universities, the Defence Research Board, National Research Council, the Canadian aircraft industry, and the armed forces were at the official opening. Attending in a body were the Commonwealth Advisory Aeronautical Research Council, comprising delegates from Canada, Australia, New Zealand, South Africa and the United Kingdom.

The laboratory they inspected has no counterpart in Canada and few elsewhere in the world. In one large room is what appears to be an imprisoned balloon; this is the dry air storage chamber with its moveable nylon lining. Some 36,000 cubic feet of air, thoroughly dried, can be collected here in 45 minutes. This is enough to operate the wind tunnel for 20 seconds.

CANADIAN OFFICERS OBSERVERS: Two senior officers of the Canadian Army -- Col. Dollard Ménard, DSO, and Lt.-Col. M.E.P. (Paul) Gameau -- have been appointed military observers with the United Nations' Commission for India and Pakistan, the Minister of National Defence, Mr. Claxton, announced on September 22. They left to start their new duties last week-end.

Col. Ménard, who was awarded the Distinguished Service Order for gallantry at Dieppe in August 1942 when he commanded Les Fusiliers Mont-Royal, has been serving since September 1947 as Canadian military attaché to France. He is a former officer of the Royal 22nd Regiment and went overseas with the 2nd Canadian Division in 1940. Prior to that time he had served on attachment to various units of the British Army in India. He also commanded Le Regiment de Hull in the invasion of Kiska, 1943.

Lt.-Col. Gameau served with the Royal 22nd Regiment in the United Kingdom during the early days of the war, then returned to Canada in 1941 to take the staff course at Kingston. Returning to Europe, he took part in the Dieppe raid and was also awarded the Distinguished Service Order for gallantry. Later he served in Sicily and Italy with the Royal 22nd, then returned to Canada in January 1944 and was posted as a Canadian observer to the United States 10th Army in the South Pacific in January 1945. He was present at the capture of Okinawa.

Col. Ménard attended the "École d'État-Major" in Paris from October 1946 to September 1947, and Lt.-Col. Gameau has recently attended the "École Supérieure de Guerre" in Paris.

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NOVEL LIGHTSHIP: "A snug little ship" is the way seafarers described the Department of Transport's newly built lightship which sailed from Montreal on September 21 to take her position on the dreaded Lurcher shoal off the coast of Nova Scotia at the entrance to the Bay of Fundy. The lightship, which is only 128 feet long by 30 feet wide, was built at Canadian Vickers Limited shipyard here and turned over to the Department last week.

The new lightship has been designed and constructed so as to be able to hold station on a very stormy location at the entrance of the Bay of Fundy with a minimum amount of pitch, surge and rolling. To meet these requirements many innovations have been included in the construction of the vessel. The wheelhouse has been provided with special watertight doors while the ventilators are of the mushroom type so that the vessel may ride out the worst storms without shipping water. Air conditioned ventilating facilities are provided for 20 air changes per hour throughout the vessel except in the store spaces.

Special comforts of officers and crew are provided inasmuch as the lightship will be required to stay on position for months at a time.

TO EXPAND POLYMER PLANT: The Minister of Trade and Commerce, Mr. Howe, announced on September 20 that a major expansion of the Government's synthetic rubber plant, operated by the Polymer Corporation at Samia, Ontario, had been authorized on the recommendation of the Corporation's Board of Directors. Involving an expenditure of upwards of \$6,600,000, the programme will result in an expansion of between 20 and 25% in productive capacity.

Built in 1942 - 3 to supply vitally needed rubber, the Company has achieved outstanding success in marketing its output. Increased diversification and constant improvement in quality has enabled its products to become increasingly aggressive competitors with crude rubber, while an active sales programme throughout America and Western Europe has developed markets for its entire production.

DEMAND EXCEEDS PRODUCTION

Although the plant is currently operating at a rate of approximately 130,000,000 pounds of rubber per year, the high price for crude rubber which has prevailed since early in 1950 and additional military requirements have resulted in a demand for the Company's products, from both domestic and foreign sources, far in excess of the Company's present productive capacity. Since it is anticipated that this demand will continue for an extended period, the Directors feel that an immediate expansion of the Butyl and Copolymer rubber plants, as well as the Styrene and Butadiene units, should be undertaken.

Work will get under way as soon as process engineering and design plans can be completed. It is expected that the expansion of the Butyl and Styrene plants will be completed within eight months and the Butadiene and Copolymer plant extensions within twelve months. Pending completion of the latter unit, the additional styrene output will assist in meeting the increased requirements of the plastics industry in Canada. The \$6,600,000 programme will enable the production of Butyl rubber, used largely for inner tubes and mechanical goods, and Polysar S type rubbers, used largely for tires, wire, cables, and footwear, to be increased to 36,000,000 pounds and 126,000,000 pounds a year, respectively.

"I am pleased to state that no capital advance from the Government will be necessary. The expansion programme will be financed by the Company out of its reserves for depreciation and obsolescence and current earnings," the Minister stated.

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18 NEW NAVY VESSELS: The Minister of Trade and Commerce, Mr. Howe, announced on September 22, that contracts totalling \$43,250,000 have been awarded to Canadian shipbuilding yards for the construction of eighteen vessels required by the Royal Canadian Navy. These vessels will be in addition to contracts, valued at \$28,200,000, placed earlier this year. The

allocation of these contracts to the various yards has been made in co-operation with the Canadian Maritime Commission.

Four anti-submarine escort vessels, valued at \$32,000,000, will be constructed by the Burrard Dry Dock Company Limited, North Vancouver, B.C.; Canadian Vickers Limited, Montreal, Que.; Marine Industries Limited, Sorel, Que.; and Halifax Shipyards Limited, Halifax, N.S.

Four gate vessels, valued at \$2,000,000, will be constructed by Victoria Machinery Depot Company Limited, Victoria, B.C.; Burrard Dry Dock Company Limited, North Vancouver, B.C.; Geo. T. Davie and Sons Limited, Lauzon, Lévis, Que.; and Pictou Foundry and Machine Company Limited, Pictou, N.S.

Ten influence type minesweeping vessels, valued at \$9,250,000, will be constructed by Yarrows Limited, Victoria, B.C.; Victoria Machinery Depot Company Limited, Victoria, B.C.; Port Arthur Shipbuilding Company Limited, Port Arthur, Ont.; Midland Shipyards Limited, Midland, Ont.; Canadian Vickers Limited, Montreal, Que.; Davie Shipbuilding and Repairing Company Limited, Lauzon, Lévis, Que.; Geo. T. Davie and Sons Limited, Lauzon, Lévis, Que.; Marine Industries Limited, Sorel, Que.; and the Saint John Dry Dock Company Limited, Saint John, N.B.

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MINES BRANCH SETS UP NEW DIVISION: The present acute shortage of industrial minerals for use in Canada's rapidly expanding chemical, construction, and manufacturing industries and the consequent urgency for research on these minerals to promote the development of new sources has led to the setting up of an Industrial Minerals Division in the Mines Branch of the Department of Mines and Technical Surveys, the Deputy Minister, Mr. Boyer, announced on September 25. The Department has many calls from industry for work on these minerals and establishment of the new Division will enable it to meet the increasing requirements to better advantage. The Division was formerly a section of the Mineral Resources Division, and was set up with the concurrence of the Civil Service Commission.

Mr. M.F. Goudge who has been in immediate charge of the Department's work on industrial minerals for the past several years will head the new division. He will direct the stepped-up programme of investigation work into the processing and utilization of non-metallic minerals, sands, clays, and rocks. Increased attention will also be paid to another important phase of the Division's work, the study of Canada's water supplies for industrial use.

Mr. G.C. Monture will continue as Chief of the Mineral Resources Division, a main feature of the Division's work being the compilation of an index of all known Canadian mineral occurrences. To date in this work all the significant metallic mineral occurrences have

been indexed, and the indexing of occurrences of the non-metallic minerals is well advanced. When completed the inventory will provide a basis for the appraisal of Canada's mineral production potential.

As now organized the Mines Branch under Mr. C.S. Parsons, Director, has six divisions, the four in addition to the above being, Mineral Dressing and Process Metallurgy, Fuels, Physical Metallurgy, and Radioactivity.

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STUDIES BEING MADE OF FAMILY FOOD COSTS:

How do families with a low income spend their food dollar and are they getting the most food value for their money?

The answers to these questions are to be sought at the Hospital for Sick Children, Toronto, in a detailed study of food records from 1,093 families. The investigation is being supervised by Dr. Elizabeth Chant Robertson, an assistant physician of the hospital and clinic teacher in paediatrics at the University of Toronto.

The data on which the study is being based is believed to be the most complete ever obtained in Canada for this type of survey. The information includes not only the amounts and costs of food bought and the types of meals served but also records the size of the family, the ages of children, the parents' occupations, and details about available cooking equipment and food storage space.

This study is being financed by a grant under the national health programme. The Minister of National Health and Welfare, Mr. Martin, said that the results of the research should be of great practical value to public health nurses, nutritionists, home economists, social workers and health educators who are educating families in better eating habits and preparing informational material on food buying.

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DWELLINGS CONSTRUCTION: Starts on the construction of new dwelling units in the first six months of this year were increased over the same period of 1949, gains in both May and June accounting for the rise. On the other hand, completions were lower in the month and half year, resulting in a substantial increase in the carryover of dwelling units in various stages of construction at the end of the period.

The number of dwelling units on which construction was started in the half year was 42,149 as compared with 40,199 in the similar period of 1949. Completions totalled 35,968 as against 39,726, and the carryover of uncompleted units was 63,634 as against 56,787. In June, starts were up to 12,065 units from 10,528, but completions fell to 6,527 units from 7,275. Figures for Newfoundland are included in the 1950 all-Canada totals, but are not available for 1949.

TIME LOSS DUE TO WORK STOPPAGES: Time loss due to work stoppages arising from industrial disputes during August, 1950, was higher than the previous month due mainly to the strike of non-operating railway workers which accounted for 94 per cent of the total time lost during the month, according to a summary of strikes and lockouts issued on September 23 by the Minister of Labour, Mr. Gregg.

Although the time loss was higher, the number of strikes in existence during August, 1950, was considerably lower than in the previous month and slightly lower than in August, 1949.

Preliminary figures for August, 1950, show 19 strikes and lockouts in existence, involving 129,787 workers with a time loss of 1,053,000 man-working days, as compared with 32 work stoppages in July, 1950, with 6,379 workers involved and a time loss of 50,750 days. In August, 1949, there were 20 strikes and lockouts, involving 4,574 workers with a time loss of 36,276 days.

For the first eight months of this year, preliminary figures show 99 strikes and lockouts, involving 149,122 workers with a time loss of 1,263,322 man-working days. For the same period in 1949, there were 92 strikes with 32,005 workers involved and a time loss of 766,013 days.

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NEW ATOMIC RESEARCH TOOL AT CHALK RIVER:

A new research tool has recently been put into operation at the NRC Chalk River atomic energy plant. It is an electrostatic accelerator, or van de Graaff generator, capable of producing at least four million volts, and is used as a source of high speed atomic beams for breaking up atomic nuclei. In this regard it will serve as supplementary equipment to the atomic pile. It can produce beams of charged particles of accurately known energy and direction in contrast to the great numbers of slow neutrons provided by the pile. Similar accelerators in the United States and in England are playing an important role in the study of atomic nuclei. The machine at Chalk River was designed and built in NRC's Radio and Electrical Engineering Division at Ottawa, after consultation with the inventor Dr. van de Graaff of the Massachusetts Institute of Technology, Cambridge, Mass.

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NAVAL APPOINTMENTS: The appointment of Lieut.-Cdr. (P) Raymond Phillips, R.C.N., 28, of Ottawa, as commanding officer of the Esquimalt-based training frigate H.M.C.S. Antigonish was announced on September 25 at Naval Headquarters.

He succeeds Lieut.-Cdr. William S.T. McCully, R.C.N., 31, of Kingston and Vancouver, who has been appointed officer-in-charge of the Torpedo Anti-Submarine School at H.M.C.S. Stadacona, Halifax.

"KILL OR BE KILLED": A recent training directive to the Canadian Army Special Force makes it clear to all ranks that their probable enemy is ruthless in his execution of war and "does not fight according to the rules as we know them.

"He knows only one rule: 'kill or be killed'", the directive points out, adding: "This, too, must be our guide."

Accordingly, training officers and NCOs are seeing to it that all weapons training is as practical as possible.

In place of standard "bulls-eye" targets normally used in the production of marksmen and snipers, "disappearing" and "surprise" targets simulating situations likely to occur on a battlefield are being used as much as possible.

Snipers, once they have proven themselves to be excellent shots, are being trained in physical endurance, powers of observation and fieldcraft. Emphasis is being placed on development of the characteristics of patience and mental stability under trying conditions, especially when working alone in front of and away from one's own troops. One phase of sniper training calls for long periods of lying or sitting motionless before getting off a fast, accurate shot at a barely visible target.

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RIEL'S GRANDSONS TO FIGHT IN KOREA:

Two grandsons of Louis Riel, leader of the insurgents during the Riel Rebellion in Western Canada in 1885, have enlisted in the Canadian Army Special Force for service in Korea with the United Nations Forces.

Both from Winnipeg, they are Ignace Riel, 26, who in the Second World War was twice wounded while serving in Northwest Europe with the Royal Winnipeg Rifles, and Alex Riel, a veteran of five years' service with the Queen's Own Cameron Highlanders from 1940 to 1945.

The two men were among the first to enlist in the 2nd Battalion Princess Patricia's Canadian Light Infantry and now are training at Currie Barracks, Calgary.

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1949 STORE SALES UP 6.5 P.C.:

The long uninterrupted rise in department store sales continued during 1949, when the aggregate value was \$855,488,000, up 6.5 per cent over the 1948 total of \$803,092,000. This increase was moderate in comparison with the 13 per cent in stocks. The average month-end inventory value in 1949 was \$189,000,000 compared with an average figure of \$167,300,000 in 1948.

The moderate increase in department store sales was a condition which affected specialty stores as well, but is not necessarily an indication of any relaxation of consumer ability or propensity to consume. Last year, the retail distribution of new motor vehicles rose sharply and cash output for down payments, together with commitments assumed by those

purchasing on instalment terms, caused the diversion of a certain amount of consumer buying power from other retail channels.

Sales increased fairly uniformly in all sections of Canada during 1949. Alberta, where new oil developments have stimulated business activity in recent years, led all provinces with a gain of 10 per cent. Sales were up four per cent in Quebec, while in other areas results conformed closely with the country-wide gain of nearly seven per cent.

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1,005,639 UNION WORKERS: The annual survey of labour organization by the Department of Labour has revealed that there were 1,005,639 union members in Canada on December 31, 1949, an increase of almost three per cent over the previous twelve months. Inclusion of Newfoundland unions in the survey for the first time accounted for about 24,000 among the total membership. This was in part responsible for a substantial advance in the membership of international and of independent local unions. Some falling off in membership of a few purely Canadian unions was noted.

An almost continuous increase in union membership since 1939 has been recorded. Membership figures to the nearest thousand for the years 1939 to 1949 have been as follows:

1939 - 359,000	1945 - 711,000
1940 - 362,000	1946 - 832,000
1941 - 462,000	1947 - 912,000
1942 - 578,000	1948 - 978,000
1943 - 665,000	1949 - 1,006,000
1944 - 724,000	

The membership of the Trades and Labour Congress of Canada with 2,865 locals of affiliated and directly chartered unions was 459,068. Decreases were recorded in the membership of the Canadian Congress of Labour and the Canadian and Catholic Confederation of Labour. Despite gains by several affiliated unions, the membership of the former was lower than in 1948, owing to the expulsion of two unions from its ranks during 1949 and stood at 301,729. The Canadian Congress of Labour has 1,175 locals. Canadian and Catholic Confederation of Labour unions reported a total membership of 80,089 in 424 locals.

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RAIL REVENUES, EXPENSES: Operating revenues and expenses of Canadian railways reached new high levels in 1949, the former showing an increase over 1948 of 2.1 per cent, and the latter a rise of 2.9 per cent. The increase in revenues was mainly due to the interim increase of eight per cent in freight rates, while higher material costs were responsible for larger expenditures.

According to preliminary figures released by the Bureau of Statistics, operating revenues for 1949 amounted to \$894,397,264 as compared with \$875,832,290 in 1948, while operating expenses rose to \$831,456,446 from \$808,126,-

455. This resulted in the reduction of net operating revenues to \$62,940,818 from \$67,705,835 and of net operating income to \$30,558,818 from \$33,162,676.

Revenue freight tons carried during 1949 declined 7.9 per cent to 142,719,431 tons from 154,932,804, and ton miles were down 4.6 per cent. Revenue passengers declined to 34,883,803 from 38,279,981, and passenger train mileage decreased to 407,421,229 from 410,689,409 in 1948.

Total number of employees rose to 192,366 from 189,963 a year earlier and the payroll reached \$523,453,375, an increase of \$11,398,580 over 1948 payments.

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AUGUST TRADE FIGURES: A summary of foreign trade figures for August released by the Bureau of Statistics shows an increase in Canada's total domestic exports to \$257,100,000 from \$251,700,000 in August, 1949, and a rise in estimated total imports to \$268,900,000 as compared to \$212,100,000. Domestic exports to the United States increased to \$167,100,000 as against \$115,400,000, but to the United Kingdom declined to \$42,500,000 as compared to \$62,900,000. Estimated imports from the United States amounted to \$175,300,000 as compared to \$143,600,000. The import figures are only preliminary and therefore subject to revision.

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CANADA-U.S. TRAVEL: Travel between Canada and the United States was higher by plane in the first six months of this year but lower by rail, bus, and boat, according to figures released by the Bureau of Statistics.

Entries of foreign travellers from the United States by rail in the half year totalled 192,403 as compared with 232,105 a year earlier; bus, 139,308 against 143,799; plane, 66,908 against 57,537; and boat, 44,465 against 68,278.

Canadian travellers returning from the United States by rail numbered 225,215 compared with 239,929; bus, 235,794 compared with 232,922; plane, 49,802 against 44,302; and boat, 22,443 against 26,736.

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SPECIAL SERVICE SQUADRON AT ROSYTH: A ceremonial 15-gun salute marked the Canadian Special Service Squadron's arrival at this Scottish port just up the Firth of Forth from historic Edinburgh. The exchange of ear-shattering greetings between Vice-Admiral A.E.N.B. Cunningham-Graham, C.B., C.B.E. Flag Officer Scotland, and Rear-Admiral E.R. Mainguy, O.B.E., R.C.N., Flag Officer Commanding the Special Service Squadron was the signal for revival of 'Auld Acquaintance' between Canadian sailors and their old friends in the Scottish capital. The Magnificent, Huron and Micmac had steamed through calm seas off the east coast of Scotland for their rendezvous with their Scottish hosts.

LIAISON GROUP JOINS MCARTHUR HQ: A small party of four officers and five other ranks of the Canadian Army is already in the Far East, the Minister of National Defence, Mr. Claxton, announced on September 26.

The group, which will be attached to General McArthur's Headquarters, left Ottawa by air Wednesday, September 20, en route to Japan. It is headed by Col. F.J. (Frank) Fleury, MBE, 36, in the acting rank of brigadier. Brig. Fleury has been officer in charge of administration at Prairie Command HQ, Winnipeg.

With Brig. Fleury went Lt.-Col. Paul L.F. Sare, 38, and Lt.-Col. Leith R. Crue, 44, both of Army HQ, Ottawa, and both promoted last week from the rank of major. The former will be assistant adjutant general and the latter has been named assistant quartermaster general. The fourth officer was Capt. W.J. Gardner of Calgary.

Brig. Fleury, a graduate of Loyola College, Montreal, served during the war in Italy and at Canadian Military Headquarters in London, England. Following his return to Canada he was stationed in Ottawa until his appointment to Winnipeg in July, 1949. Lt.-Col. Sare and Lt.-Col. Crue are both veterans of the Second World War.

ARMY SENIOR APPOINTMENTS: New appointments affecting three senior officers of the Canadian Army were announced on September 26 by the Minister of National Defence, Mr. Claxton.

Brig. J.V. Allard, DSO and Bar, 37, presently commanding Eastern Quebec Area with headquarters at Quebec City, has been selected to attend the next course at the Imperial Defence College in the United Kingdom. Col. M.L. DeRome, OBE, ED, 39, will command in a temporary capacity during the absence of Brig. Allard. Col. W. Clement Dick, OBE, 37, who recently completed a tour as Director of the Canadian Army Staff College at Kingston, Ont., moves to Montreal to replace Col. DeRome.

R.C.N. AIDS KOREAN ISLAND COMMUNITIES: A voluntary reduction of the ship's company's rations recently enabled the Canadian destroyer, H.M.C.S. Cayuga, to supply desperately-needed food to a number of South Korean island communities cut off from supply centres on the mainland by Communist troops.

While on patrol in the Inchon area, the Cayuga discovered several villages whose food stocks were dangerously low. Although the Canadian ship immediately landed all spare food, her men considered they could do more. A special meeting of the Cayuga's welfare committee voted unanimously to cut their own rations to augment the supplies put ashore.

In addition, Capt. J.V. Brock, D.S.C., R.C.N., commanding officer of the Cayuga, and commander of a United Nations task group which included the three Canadian ships in the Korean

theatre, established areas off the coast in which he guaranteed the safety of South Korean fishermen, who had not ventured from port for fear of attack, since North Korean forces had occupied the mainland several weeks earlier.

NATIONAL NOTES

The federal-provincial constitutional conference opened in Quebec this week. The Prime Minister, Mr. St. Laurent, attended, as well as the 10 provincial Premiers.

Closer co-operation between Canada and the United States on atomic defence matters must be worked out in the near future, Canada's Civil Defence Co-ordinator, Maj. Gen. F.F. Worthington, was reported as saying in an address to some 500 city, state, territorial and national defence officials in Chicago, Ill.

The red-dominated United Electrical Workers' Union was expelled from the Canadian Congress of Labour on September 25 at the C.C.L.'s Annual Convention at Winnipeg.

Talks between Egypt and Canada are under way with a view to increasing Egyptian exports to Canada, a spokesman at the Egyptian Commerce Ministry in Cairo was quoted as saying.

Spokesmen for Saskatchewan and Alberta farm groups on September 25 asked the federal Government to help farmers through the current inflationary-price period by granting general farm price-support or instituting price controls on goods, services, rents, wages and profits.

Lt. Col. John Bayne Maclean, 87, founder of the Maclean-Hunter Publishing Company, Ltd., died in Toronto on September 25.

Premier Duplessis of Quebec announced on September 22 that his Government has approved plans by the Aluminum Company of Canada for expenditure of \$30,000,000 on initial development of 60,000 horsepower of hydro-electricity on the Peribonka River in Lake St. John district.

The A.V. Roe Company of Canada, in Malton, Ontario, will hire an additional 6,000 persons as part of an expansion programme aimed at keeping the plant up to date with defence requirements, Sir Roy Dobson, President, was quoted as saying on September 22.

(Continued from p. 1)

45 P.C. GAIN IN AUGUST EXPORTS TO U.S.

986,000, and New Zealand to \$708,000 from \$860,000.

Shipments to Latin American countries in August were valued at \$13,841,000 as against \$13,345,000 a year earlier, and in the eight months totalled \$85,275,000 as against \$83,644,000. Exports were higher in the month to Brazil, Cuba, Mexico, and Panama, but lower to Peru and Venezuela.

Shipments to European countries were moderately lower in August at \$16,427,000 as compared with \$17,818,000, and were down in the cumulative period to \$112,385,000 from \$154,282,000. August shipments were higher to Belgium and Luxembourg, Germany and Switzerland, but lower to France, Italy and Norway.

Exports to other foreign countries were down sharply in the month and eight months. The August value was off to \$4,905,000 from \$15,645,000, and the eight-month aggregate to \$57,396,000 from \$68,782,000. Shipments to China, Iran, Israel, Japan and Turkey were smaller, but there was a marked rise to the Philippine Islands.

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TIGHTEN CONTROL OF EXPORTS: Close co-operation between Canada and the United States in export supply policies will be implemented immediately by a new schedule of commodities for which export permits are required, the Minister of Trade and Commerce, Mr. Howe, announced on September 27. A total of 177 listings are included in the new schedules, as compared with the previous total of 91, and a peak of 1103 during the Second World War. Listings applicable to the United States are reduced from 91 to 69.

The new Canadian schedules are integrated with those of the U.S., and the effect will be to permit the two countries greater freedom in supplying each others requirements, and at the same time prevent Canada from being used as a "back door" to circumvent U.S. export controls. It will be possible to observe more closely the movement of commodities and spot any abnormalities which might be undesirable under present world conditions. Nevertheless, because of the substantial reduction in the measure of control for exports to the United States, where the bulk of them is now directed, the general effect on Canadian export procedure will not be nearly so great as the increase in listings might indicate, and should actually result in a net reduction of paper work for Canadian exporters, the Minister pointed out.

Major additions to the list for all countries include nylon; non-ferrous metals, such as aluminum, brass and bronze, copper, lead, nickel and zinc; and benzine, glycerine and soda ash. Six countries have been added to the system of "area control", including Afghanistan, the Ukraine, Mongolia, Tibet, Manchuria, and Sinkiang.

Rye and rye products are removed entirely from export control, while the granting of permits for wheat, oats, barley, and their products will be administered solely by the Wheat Board, in place of the dual control system administered jointly with the Department of Trade and Commerce.

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WAGE RATE INDEX UP 1 P.C.: The index of wage rates in Canadian industry advanced to an estimated 207.3 at April 1, 1950 (rates in 1939=100) according to a statement issued on September 26 by the Minister of Labour, Mr. Gregg. This figure represents a gain of just over one per cent during the six months interval following October 1, 1949, when the last complete annual survey was made.

The statement is based on the first semi-annual sample wage-rate survey conducted by the Economics and Research Branch of the Department of Labour in order to provide more current information on wage trends.

More than 800 representative establishments co-operated with the Department in making this survey possible. Of these 800 establishments, 70 per cent reported no change in established wage rates from October, 1949. Of those reporting some change, 70 per cent indicated increases up to 5 cents per hour; another 21 per cent reported changes from 6 to 10 cents per hour, while in the remaining 9 per cent changes of over 10 cents occurred.

These changes in wage rates are not affected by temporary fluctuations in actual hours worked nor by increases due to upgrading of an individual worker which do not affect the wage structure. Such changes, of course, would be reflected in an index of earnings.

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WHEAT STOCKS: Overseas export clearances of Canadian wheat, and deliveries from farms in the Prairie Provinces both moved to lower levels during the week ending September 14 as compared with last year's similar movements. Visible supplies were also down from a year earlier.

Export clearances during the week amounted to 3,326,618 bushels as compared with 3,397,138 in the same week last year, and the deliveries from Prairie farms totalled 20,915,650 bushels as compared with 28,182,569. Stocks in store or in transit on September 14 were 114,190,670 bushels as compared with 130,360,607.

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TO ATTEND IMPERIAL DEFENCE COLLEGE: Major-General N.E. (Elliott) Rodger, CBE, 42, Quartermaster-General of the Canadian Army, will attend the 1951 course at the Imperial Defence College in the United Kingdom, the Minister of National Defence, Mr. Claxton, announced on September 29. Gen. Rodger will sail for England in December of this year.



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WEEK'S EVENTS IN REVIEW

CANADA AT THE UN: Canada's proposal to set up a seven-nation committee to study the question of Chinese representation was adopted at the opening sitting of the Fifth Session of the United Nations General Assembly on September 19. The resolution, introduced by the Canadian Secretary of State for External Affairs, Mr. Pearson, was approved 42 to 9, with six abstentions.

The General Assembly opened its Fifth Regular Session on September 19 at Flushing Meadow, and elected Nasrollah Entezam (Iran) as President of the Session. Ambassador Entezam received 32 votes, and Sir Mohammed Zafrullah Khan (Pakistan), 22, according to the UN Press report.

Most of the meeting was taken up with a discussion of the question of Chinese representation in the Assembly, and the Assembly finally adopted a Canadian proposal for a Special Committee to consider the matter, the report continued.

The Session was opened by General Carlos P. Romulo (Philippines) who presided over the Fourth Session of the Assembly. After his opening remarks, the Assembly stood for a minute of silence, dedicated to prayer or meditation, and then Sir Benegal Narsing Rau (India) took the floor to introduce a draft resolution under which the Assembly would recognize that the Central People's Government of the People's Republic of China was "the only such Government functioning in the Republic of China as now constituted" and would decide that that Government should be "entitled

to represent the Republic of China in the General Assembly."

Andrei Y. Vyshinsky (USSR) presented two proposals. The first of these asked the Assembly to state that the representatives of "the Kuomintang group" could not take part in the work of the General Assembly because they did not represent China. The second asked the Assembly to invite the representatives of the Chinese People's Republic to take part in the work of the Assembly.

Lester B. Pearson (Canada) introduced the Canadian proposal, which with an Australian amendment, accepted by Canada, asked the Assembly to establish a Special Committee of seven members "nominated by the President and confirmed by the Assembly" to consider the question of Chinese representation and to report back to the Assembly, with recommendations, after the Assembly has considered item 62 of its provisional agenda.

This item was submitted by Cuba and entitled "recognition by the United Nations of the representation of a Member State."

Faris El-Khouri Bey (Syria) asked for postponement of the vote until, at least, tomorrow. The Assembly decided against this by a vote of 21 to 16, with 13 abstentions.

The Indian proposal was voted by roll call, and rejected. The vote was 16 in favour, 33 against and 10 abstentions.

The Canadian proposal, as amended by Australia, was then adopted, in a vote by show of hands, 42 in favour to 9 against, with 6 abstentions. Two earlier votes resulted as

PRAIRIE GAS RESERVES ESTIMATE: Canada's proven and probable reserves of natural gas in the Prairie Provinces have increased 2.1 trillion cubic feet in a year and a half mainly as a result of oil drilling operations in Alberta. Reserves at June 30, 1950, are estimated at 7,000 billion cubic feet in place at atmospheric pressure and temperature or 6,400 billion cubic feet at 100 pounds abandonment pressure.

The increase in proven, probable and potential reserves in the Prairie Provinces despite the lack of active exploration for natural gas and the possibility of the discovery of further supplies with the development of "proven" and "probable" reserves are disclosed in a report on a recent survey of the situation conducted by the Department of Mines and Technical Surveys. The report entitled "Natural Gas Reserves of the Prairie Provinces" and prepared by two departmental officials, Dr. G. S. Hume, Director General of Scientific Services, and A. Ignatieff of the Mines Branch, outlines the developments in natural gas since the Department's previous survey in November, 1948. Reserves at that time were estimated at 4.3 trillion cubic feet.

CAPPED AND ABANDONED

While noting the 50 per cent increase in reserves, the report stresses the difficulties encountered in making an appraisal of gas resources when little or no active exploration for gas has been undertaken. Discoveries have either been capped or abandoned due to a lack of market outlets and possible extensions of the various fields, therefore, remain unknown.

According to the report very favourable geological conditions for the occurrence of oil and gas exist within a sedimentary area consisting of 245,000 square miles in Alberta, 55,000 square miles in the contiguous area of British Columbia and, to a lesser extent, in an area of 185,000 square miles in Saskatchewan and Manitoba.

While few oil wells have been drilled in Alberta without getting some gas shows, the fields in and immediately east of the Foothills such as Turner Valley, Pincher Creek and Jumpingpound, are listed as offering "the greatest prospects for large gas fields". The large gas reserves in the Leduc oilfields have been appraised on the basis of the present extent and estimated oil recovery of the field. The report also includes an estimate of the gas from the Redwater and Golden Spike fields, although the gas-oil ratios of the solution gas are too low to provide excess gas for commercial use.

On the basis of experience and favourable geological conditions the belief is expressed that "if large markets and a reasonably attractive price warranted a vigorous search for gas further large quantities would be found and in amount far exceeding those now proven and probable".

FISHERIES RESEARCH: The Fisheries Research Board of Canada operates seven stations located along the Atlantic and Pacific coasts and inland. Every year the officers of the Board visit the stations to obtain a first-hand account of the work in progress and to discuss administrative and other matters associated with the investigations being currently undertaken.

This year the Board's tour of the East Coast stations, which took place in the latter part of August, included for the first time an official visit to Newfoundland. Since that Island became Canada's 10th Province, one of the more important administrative undertakings has been the co-ordination of the Newfoundland Fisheries Station with the general operation of the Board. This has been achieved by continuing the local laboratory as the Newfoundland Biological Station. The station is concentrating on the biology of groundfish and gradually expanding its work on the biology of inshore fisheries, collaborating at all times with the Atlantic Biological Station at St. Andrews, N.B. The responsibility for the Newfoundland fisheries technological investigations has been added to that of the Atlantic Fisheries Experimental Station at Halifax, N.S., necessitating an increase in the staff and an enlargement of the facilities there. (Fisheries Department Trade News.)

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DEPUTY ADMINISTRATOR, TRADE FAIR: Charles C. Hoffman of Montreal has been appointed Deputy Administrator of the Canadian International Trade Fair, the Minister of Trade and Commerce, Mr. Howe has announced.

In making the announcement, Mr. Howe said that the sudden and tragic loss in July of the Administrator, Mr. R.H. Dayton, has made necessary some reorganization of the Trade Fair administration. Mr. Glen Bannerman, Director of the Canadian Government Exhibition Commission, under whose general direction the Trade Fair has been run, has assumed direct responsibility as Administrator of the Fair, which takes place from May 28 to June 8, 1951. Mr. Hoffman will take charge of the Toronto office and the staff who carry out the details of the work.

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PRIME MINISTER GUEST OF HONOUR: The Prime Minister, Mr. St. Laurent, has accepted an invitation to be guest of honour at the annual dinner of the Royal Military College Ex-Cadet Club of Canada at the Kingston, Ontario, college on Saturday, September 30. The dinner and annual meeting of the Ex-Cadet Club will be held in conjunction with opening exercises for RMC.

RMC reopened its gates as a tri-service college for future officers in 1948. Cadets who enrolled then will be starting their third term at the end of this month. First graduates will not leave the college until 1952.

APPEALS FOR ACTION ON ST. LAWRENCE WATERWAYS

MR. CHEVRIER'S CORNWALL SPEECH: Stating that "the time has arrived for plain speaking" on the St. Lawrence Waterways, the Minister of Transport, Mr. Chevrier, said on September 14 "something must be done about this soon. Many of our citizens both here and elsewhere in Canada, are getting very impatient."

The Minister said that if no progress could be made on the combined scheme of navigation and power development, as outlined in the treaty signed by Canada and the United States in 1941, as would unfortunately seem to be the case, the application for power development by the Province of Ontario and the State of New York should be referred to the International Joint Commission for consideration and that "Canada should explore the possibility of constructing a deep waterway on the Canadian side of the boundary."

100TH ANNIVERSARY

Mr. Chevrier was speaking on the occasion of the 100th Anniversary of the union of the Counties of Stormont, Dundas and Glengarry in his home town, Cornwall, which is the focal point of the international section of the St. Lawrence River. The Minister also officiated at the unveiling of a memorial plaque which commemorates the centenary of the United Counties.

In his statement on the St. Lawrence Waterways situation, the Minister said:

"The St. Lawrence River in this area forms a bottleneck which impedes navigation of lake and ocean craft. The Long Sault Rapids have a potential 2,200,000 horse-power of electric energy, awaiting harnessing. This development has been awaited by our people for a long time. Ever since I was a boy, we have been talking around here about the development of the St. Lawrence waterway. Many difficulties stand in the way. One of them is that the international boundary line separating Canada and the United States runs up the middle of the river, and this is why negotiations extending over many years have had to be carried on between our two countries.

"These negotiations began as far back as 1895. They culminated in three agreements. First, the Niagara Convention, signed by our two countries in 1929, but never ratified. Second, the St. Lawrence Deep Waterway Treaty of 1932, signed by our two countries, but which was not ratified by the United States Senate because the treaty lacked the two-thirds affirmative vote required by that body. Third, the Great Lakes - St. Lawrence Basin Agreement, signed by our two countries in 1941 and which has become bogged down in the American Congress.

"I believe that now is the time for action on the St. Lawrence Waterways, and that the

time has arrived for plain speaking thereon. There is every reason for proceeding with this project now. From the military, economic and strategic viewpoints, the combined development of navigation and power on the St. Lawrence should be carried out at once and should no longer be delayed. It is inconceivable that Lake carriers should continue to be bottled up in the Great Lakes and not be able to come down to Montreal because of a short series of fourteen-foot draft canals. It is inconceivable likewise that iron ore in urgent demand in the Great Lakes area should be blocked from moving westward for the same reason. It is no less inconceivable that water power urgently required for military and industrial purposes, both by the Province of Ontario and the State of New York, should go to waste and serve only as a tourist attraction for thousands of visitors. Something must be done about this soon, and many of our citizens both here and elsewhere in Canada, are getting very impatient.

COMBINED DEVELOPMENT

"To my mind, the combined development of power and navigation on the St. Lawrence as outlined in the 1941 treaty, with certain reservation made by the State Department offers the best solution and should be approved. The people of Canada want this development. The Government of the United States has declared itself in favour of it on many occasions. But we cannot sit idly by and wait forever. If the Congress of the United States does not want to take action, we should know. Industry in Ontario is absorbing about 100,000 additional horsepower a year and lack of further power supply will have the effect of retarding industrial expansion in this Province. If there are interests in the United States that are going to stand in the way of the development forever, Canadians ought to be told. After we are convinced that no progress can be made on the combined scheme -- and unfortunately that seems to be the case -- then I believe that Canada should consent to the reference of the applications of Ontario and New York State to the International Joint Commission for consideration. In that event, I personally believe that Canada should also explore the possibility of constructing a deep waterway on the Canadian side of the boundary. Already we have fourteen-foot draft canals on this side; they can be deepened to twenty-seven feet. Engineers have clearly demonstrated that this is feasible and we would have a perfect right to proceed with such a development.

"I make these observations at a time when for military, economic and strategic reasons, we should press for action...."

HALF YEAR'S FARM CASH INCOME \$870,516,000

SUBSTANTIAL DECLINE: Cash income of Canadian farmers from the sale of farm products during the first six months of this year -- excluding Newfoundland -- was estimated at \$870,516,000, according to the Bureau of Statistics. This was 18.6 per cent below the half-year estimate of \$1,069,405,000 in 1949, and 5.9 per cent lower than the revised figure of \$925,008,000 for the first six months of 1948.

In addition to the above receipts, supplementary payments amounting to more than \$13,000,000 were paid out during the first six months of the year under the provisions of the Prairie Farm Assistance Act, to farmers in the drought stricken areas of the Prairie Provinces. This figure compares with more than \$9,000,000 and \$15,000,000 paid out during the respective periods of 1949 and 1948.

The substantial decline in farm cash income in 1950 is largely attributable to the fact that while \$213,300,000 were paid out to Prairie farmers in the form of participation and equalization payments during the first half of 1949, only \$6,300,000 were disbursed during the January-June period of this year. The payments in 1949 and 1950 were for the most part, in the form of equalization payments made on wheat received by western farmers during the period August 1, 1945 to March 31, 1949 and came as a result of a government announcement early in 1949 that the initial payment to western producers for wheat at the Lakehead would be raised 20 cents per bushel and made retroactive to August 1, 1945.

Cash income from the sale of wheat in 1950

was up as a result of both higher initial prices and increased marketings. On the other hand, reduced marketings and the receipt of initial prices only during the first half of this year have resulted in a coarse grains income below that of the same period a year ago.

Higher average prices for all livestock except hogs and increased marketings of all classes except sheep and lambs during the first half of this year have produced a cash income from this source of \$389,400,000, an increase of 10.4 per cent over the 1949 figure of \$352,800,000. This gain is due largely to an increase of approximately \$35,000,000 from the sale of cattle and calves.

Income from the sale of dairy products, estimated at \$153,700,000, was seven per cent below the corresponding 1949 figure of \$165,200,000. A decline of 13 per cent in the cash income from the sale of eggs to the end of June resulted from reduced prices more than offsetting an increase in marketings.

The reduction in the amount of money paid to Prairie farmers in the form of participation and equalization payments is reflected in the sharp drop in farm cash income received in this area. In the case of Saskatchewan, this drop in income amounted to nearly 50 per cent, while in Manitoba and Alberta it came to approximately 44 and 33 per cent, respectively. In the other provinces, the changes were much less significant, varying from almost no change in Nova Scotia to an increase of eight per cent in Prince Edward Island.

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COMPOSITION OF ARMY SPECIAL FORCE: Enlistments in the Canadian Army Special Force have passed the 9,000 mark, the Minister of National Defence, Mr. Claxton, stated on September 18. The figure does not include Active Force personnel already assigned or yet to be assigned to the new brigade, expected to total about 1,000.

Officer strength is now 235 with a healthy backlog of applications in process, but there is still a requirement for more junior officers.

Composition of the Special Force at the end of August, when its strength stood at 8,372, revealed some interesting statistics. Veterans of the Second World War made up 45% of the force, or a total of 3,813, and 20% of them (768) served as non-commissioned officers in that conflict. Seven hundred and twenty-eight have some trades qualifications. Married men numbered 2,630, or about 30% of the total strength.

Mr. Claxton also reported a steady increase in the strength of the Army's Active Force with over 1,800 new enlistments since the recruiting drive was launched July 20. Navy

and Air Force figures tabulated to September 9 show that since July 20 the Navy attested 542 new recruits and the RCAF enlisted 698 -- 327 for air crew and 371 for ground crew.

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CANAL TRAFFIC SETS RECORD FOR JULY: Tonnage of freight passing through Canadian canal systems during July attained a new record total for the month at 3,628,783 tons, an advance of 573,822 tons or 18.8 per cent over the 3,054,961 tons for July last year, and compares with the previous high of 3,436,263 tons in 1943. Soft coal, corn, and petroleum led the advance in volume.

Total tonnage locked through the Sault Ste. Marie canals -- Canadian and United States locks -- was 16,196,586 tons in July, up 611,265 tons or nearly four per cent over July last year. Welland Ship canal freight traffic amounted to 1,850,703 tons, a gain of 197,109 tons or nearly 12 per cent over a year earlier. Greatly augmented traffic was reported on the St. Lawrence canals during July, with 1,428,693 tons of freight as against 955,246 tons in July, 1949, an increase of 49.6 per cent.

R.C.N. EXERCISES OFF NORTHERN IRELAND: The Canadian aircraft carrier Magnificent and the destroyers Huron and Micmac were scheduled to sail from Londonderry, Northern Ireland, this week for Rosyth, Scotland, second port of call on their three-month European training cruise.

The Canadian squadron has been at Londonderry for more than two weeks, most of which was spent on concentrated anti-submarine exercises conducted under the joint Royal Navy - Royal Air Force anti-submarine Training School.

The training schedule ended with a comprehensive review of the practical exercises held last week at sea. From these discussions, officers and men were able to make a useful assessment of their capabilities in dealing with U-boats, and to lay the basis for future anti-submarine training.

Conditions for the sea exercises were made as realistic as possible and the weather did its best to duplicate the North Atlantic on its more rugged days, providing fog, low cloud and, finally, winds of gale force.

On the final day of the exercises, a carrier patrol group consisting of the Magnificent, Huron and Micmac and the British destroyers Crispin and Creole and frigates Loch Fada and Loch Veyatie carried out offensive searches and strikes against submarine concentrations threatening shipping in the North Western approaches to the British Isles.

The opposition was furnished by British submarines attached to the training school.

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GOVERNMENT REVENUES, EXPENDITURES: The Minister of Finance, Mr. Abbott, released on September 16 a statement compiled by the Comptroller of the Treasury covering revenues and expenditures of the Government of Canada for the month of August.

The Comptroller's statement shows total revenues of the Government for the month of August amounted to \$205.3 million compared with \$187.8 million for the month of August last year. Total revenues for the first five months of the fiscal year amounted to \$1,067 million compared with \$1,066 million for the same period a year ago.

The Comptroller's statement also shows total expenditures for the month of August of \$165.5 million compared with \$147.2 million for August, 1949, an increase of \$18.3 million. Total expenditures for the first five months of this fiscal year amounted to \$774.4 million compared with \$772 million for the same period last year.

Revenues for August exceeded expenditures by \$39.8 million. This compares with a budgetary surplus of \$40.6 million for the same month last year. The budgetary surplus of the Government for the first five months of the fiscal year amounted to \$292.7 million compared with \$294.6 million for the same period last year.

In addition to budgetary expenditures, there were non-budgetary disbursements, that is, outlays for loans, advances and investments amounting to \$40 million in the period April 1 to August 31, 1950, compared with \$97.5 million in the comparable period of 1949.

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HOURLY EARNINGS 103.9 CENTS: Average hourly earnings of hourly-rated wage-earners reported by leading Canadian manufacturing establishments advanced to 103.9 cents at July 1 from the June 1 figure of 103.5 cents, and 99.1 cents at July 1 last year. Average weekly wages of these wage-earners moved up to \$44.26 from \$43.47 at June 1, and \$41.42 at July 1 last year. The hours of work in the week of July 1 averaged 42.6 compared with 42.0 at June 1, and 41.8 a year earlier.

The durable manufactured goods, average hourly earnings rose to 112.0 cents from 111.4 at June 1, and 106.7 at July 1 last year. The hours of work averaged 42.9 as against 42.2 at June 1, and 42.4 a year ago, and the average weekly wage was \$48.05 as against \$47.01 at June 1, and \$45.24 at July 1, 1949.

In the non-durable goods industries, hourly earnings averaged 95.6 cents as compared with 95.5 at June 1, and 91.3 at July 1 last year. Average work-week was 42.2 hours as against 41.7 at June 1, and 41.2 a year ago, and average weekly earnings amounted to \$40.34 compared with \$39.82 at the first of June and \$37.62 at July 1, 1949.

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DEPARTMENT PRESS OFFICE: The Department of External Affairs announced on September 14 the establishment of a separate Press Office to assist members of the Parliamentary Press Gallery and other journalists in Ottawa to secure information concerning Canada's external relations.

Mr. Allan Anderson, hitherto Head of the Department's Information Division, will be in charge of the Press Office and will be assisted by Miss Frances Carlisle, formerly of the Information Division. The Press Office will be located in the East Block.

The Information Division, which has been looking after the Department's relations with the press, will retain its other responsibilities. Mr. Paul Tremblay will be Acting Head of the Division.

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POPULATION 13,871,000: Canada's population increased 143,000 in the first six months of this year, bringing the total for the 10 Provinces at July 1, 1950 to 13,871,000 as compared with 13,728,000 on January 1, according to an estimate by the Bureau of Statistics.

The increase in the previous half year was 149,000, making an estimated gain of 292,000 during the 12 months ending July 1 this year. On July 1 last year the estimated population was 13,579,000.

SMALL CREDIT BALANCE ON TRADE WITH U.S.

JULY TOTALS HIGH: The value of Canada's merchandise imports exceeded the value of total exports by the narrow margin of \$2,700,000 in July. This small debit balance compares with credit balances of \$9,300,000 in June, and \$12,800,000 in July last year. During the first seven months of the year the deficit on foreign trade was \$7,700,000 compared with a credit of \$41,900,000 in the like period of 1949.

Trade between Canada and the United States produced a small credit balance of \$100,000 in July -- the first this year -- as compared with a debit balance of \$54,200,000 in July last year. In the seven months the debit balance was cut sharply to \$87,500,000 from \$362,500,000 a year earlier.

TRADE WITH UNITED KINGDOM

In trade with the United Kingdom in July the favourable balance fell to \$2,600,000, down from \$41,700,000 in the corresponding month last year, and in the seven-month period it fell to \$52,600,000 from \$215,800,000.

Imports from all countries in July were valued at \$259,500,000 as compared with \$230,900,000 in the corresponding month last year, and in the first seven months of the year the aggregate value was \$1,712,500,000 as compared with \$1,640,300,000 a year earlier. But the volume imported this year is slightly lower as average import prices have increased more than this rise of 4.4 per cent in value. Domestic and foreign exports, as announced earlier by the Bureau, were valued at \$256,700,000 in July as against \$243,700,000 in July last year, bringing the seven-month total to \$1,704,800,000 as against \$1,682,100,000.

Imports from the United States continued at a high level in July, being valued at \$170,600,000 as against \$160,300,000 a year ago -- but down to 65.7 per cent of all imports as against 69.4 per cent -- and in the seven-month period aggregated \$1,175,200,000 compared with \$1,169,000,000. An appreciable reduction in the volume of imports from the United States is indicated by this slight increase in

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ICAO TRAINEE PROGRAMME: The commencement of the fourth trainee programme of the International Civil Aviation Organization was announced on September 18 by Dr. Albert Roper, Secretary General of the Organization, with the arrival in Montreal of the six new nominees chosen from ICAO's 58 member nations.

ICAO's administration makes it possible for member nations to send representatives nominated by them to ICAO headquarters for short periods of familiarization in the work of the organization. On completion of this study the participants return to the service of their home governments and there help maintain liaison between their administrations and ICAO.

value as average import prices since the devaluation of the Canadian dollar last September have been higher. Total exports to the United States in the month were valued at \$170,700,000 as against \$106,000,000, and in the seven-month period totalled \$1,087,700,000 as against \$806,600,000.

Merchandise imports from the United Kingdom in July rose to \$32,700,000 from \$29,400,000 a year earlier, and in the seven months were higher at \$219,900,000 as against \$192,600,000. The rise in the volume of imports from the United Kingdom has been more substantial than this rise in value as the figures of values are affected by the devaluation of sterling. Total exports, on the other hand, declined sharply to \$35,300,000 from \$71,100,000, and in the seven months were down to \$272,500,000 from \$408,500,000.

FROM COMMONWEALTH COUNTRIES

Merchandise imports from Commonwealth countries other than the United Kingdom in July were valued at \$22,000,000 as against \$15,200,000, and in the seven months aggregated \$119,000,000 compared with \$107,500,000. Purchases from foreign countries other than the United States in the month were valued at \$34,100,000 compared with \$26,000,000 last year, and in the seven months totalled \$198,400,000 compared with \$171,200,000.

Purchases from Latin American countries rose in the month to \$18,078,000 from \$16,771,000 a year ago, and were slightly higher in the cumulative period at \$108,131,000 as against \$103,222,000. Purchases were higher both in the month and seven-month period from Argentina, Brazil, Colombia, Costa Rica, Haiti, Mexico, Panama, and Peru, but lower from Cuba, Dominican Republic, Guatemala, Honduras, and Venezuela.

Imports were higher from Europe in the month at \$8,345,000 as against \$6,262,000, but slightly lower in the seven-month period at \$49,995,000 as against \$50,964,000. There were increased purchases in both periods from Germany, Spain, Sweden, and Switzerland.

The new trainees, who will spend three months at ICAO headquarters in Montreal are:

- Burma: U. Kyaw Tun, Deputy Director of Civil Aviation;
- Indonesia: Syahfuan Gatam, Department of Communications Official;
- Italy: Arcangelo Paoletti, Director of Civil Airport;
- Lebanon: A.D. Abdul-Hak, Air Traffic Controller, Department of Civil Aviation;
- Pakistan: Wing Commander A.B. Awan, Deputy Director of Operations, Department of Civil Aviation.

(A representative from Iran is also expected shortly.)

PLAN INTERNATIONAL AIRPORT AT WINDSOR: The Minister of Transport, Mr. Chevrier, announced on September 18 that the U.S. Civil Aeronautics Administrator, Mr. D.W. Rentzel, accompanied by Mr. Percy Warner, U.S. Department of State, and Mr. W. Willoughby of the U.S. Embassy had met with the Chairman of the Canadian Air Transport Board, Mr. J.R. Baldwin, and the Director of Air Services, A/V/M/A.T. Cowley, for an informal and exploratory exchange of views on a variety of subjects. Among other things, discussed was the possibility of providing in the Windsor area an international airport for use by both Canadian and U.S. airlines serving the Detroit-Windsor community.

Subsequently, the Minister of Trade and Commerce, Mr. Howe and the Minister of Transport also met with the officials.

These discussions ranged over such topics as location of site, type of airport required, measures for joint control, and similar administrative problems.

As a result of the exchange of views, it was felt that prospects for development justified a further and more detailed study of the problems involved. This will be undertaken by the officials of both Governments with a view to further discussions at an early date.

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WHEAT QUALITY DOWN: Rains over the past 10 days have delayed harvesting in Manitoba and Saskatchewan but ideal harvesting weather has been experienced in Alberta, the Bureau of Statistics reported on September 19. While yields of cereals will be above average, the quality, particularly of wheat, will be generally poor. Extensive areas were affected by frost with the result that a large portion of the wheat crop will grade Number 5 or lower. While about half of the cutting or swathing has been completed in Manitoba, less than 10 per cent has been threshed. In Saskatchewan, up to 65 per cent of the crop has been cut to date. About 10 per cent has been threshed in southeastern Saskatchewan with 35 per cent threshed elsewhere in the Province. Cutting and threshing are well advanced in southern Alberta. In the remainder of the Province cutting should be finished by the end of the month while threshing has just commenced.

Harvest in Manitoba has been delayed by recent heavy rains. About half of the cereal crop has been cut or swathed to date with less than 10 per cent threshed. Fields are drying now, however, and harvest is again in full swing in many areas. Wheat and oats in some districts are yielding rather less than anticipated earlier in the season and grades run quite generally from Number 3 down. Barley is turning out quite well. Another week to 10 days of warm, frost-free weather will be re-

quired in southern and central areas to see the corn and sunflower crops through to maturity. Lifting of sugar beets started last week and the crop is promising. Pastures are excellent.

Adverse weather has held up harvesting in Saskatchewan for the past week or 10 days. About 65 per cent of the cutting has been completed except in the northern portion of the southeast part of the Province. With the exception of this area 35 per cent of the grain has been threshed. Frosts have reduced yields and caused a drastic lowering of grades of wheat in most parts of the Province.

In contrast to the adverse weather conditions experienced in Manitoba and Saskatchewan, weather in Alberta has been ideal and harvest is progressing satisfactorily.

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LABOUR INCOME HITS NEW PEAK: Labour income in Canada reached a monthly peak figure of \$683,000,000 in June, showing an advance of 3.6 per cent over May, and an increase of 5.9 per cent over the same month last year. This raised the aggregate for the first six months of 1950 to \$3,862,000,000 from \$3,695,000,000 in the corresponding period of 1949.

The principal cause of the latest increase in labour income was the upward movement in employment as reflected in the employment index which moved from 192.3 for June to 133.0 at July 1; it was also due, partly, to a slight rise in average weekly earnings. At 167.5, the all-Canada cost-of-living index for July was 2.1 points higher than in June.

Labour income was higher than last year in each of the groups of industries both in June and the half-year period. The month's total for manufacturing advanced from \$216,000,000 a year ago to \$229,000,000, and in the six-month period from \$1,276,000,000 to \$1,316,000,000. In utilities, transportation, communication, storage and trade, the June figure was \$180,000,000 as compared with \$170,000,000 and in the six months stood at \$1,026,000,000 against \$978,000,000.

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WHEAT STOCKS: Deliveries of wheat from farms in the Prairie Provinces during the week ending September 7 were sharply higher than in the corresponding week last year, while overseas export clearances were moderately below last year's volume. Visible supplies on September 7 also declined.

Deliveries during the week ending September 7 amounted to 17,079,804 bushels as compared with 5,104,625 a year earlier, and the export clearances totalled 2,332,115 bushels as against 2,642,678. Stocks in store or in transit in North America on September 7 amounted to 98,673,259 bushels compared with 106,668,403.

WHEAT CROP ESTIMATE NOW 490,000,000 BUSHELS

PRAIRIE FROSTS CAUSE DROP: Canada's 1950 wheat crop is now placed at 490,000,000 bushels, according to the second estimate of principal field crops released by the Bureau of Statistics. This production is being obtained from a seeded area of 27,300,000 acres with an average yield of 18.1 bushels per acre. Oat production is estimated at 415,000,000 bushels, barley at 179,000,000, mixed grains at 71,000,000, rye at 14,600,000, and flaxseed at 4,900,000 bushels. The outturn of hay and clover is placed at 12,900,000 tons, and alfalfa at 3,200,000.

The second estimates of production of grain crops are lower than those issued at mid-August. Severe frosts which struck Saskatchewan and to a lesser extent Alberta and Manitoba in the 10 days following the release of the first estimate were chiefly responsible for the drop in estimated production. Wind and rain storms in some sections of the Prairies and snow in the Peace River area also contributed to the decline.

Since the harvest of spring grains as well as late crops is abnormally late this year over much of the country, these estimates should be considered in the nature of forecasts and may be subject to significant re-

visions in the light of actual harvesting conditions. The yield estimates are based on August 31 reports from crop correspondents and on information supplied through the officials responsible for agricultural statistics in each of the provinces.

The 1950 wheat crop, currently estimated at 490,000,000 bushels is 123,000,000 above the 1949 outturn and 96,000,000 above the 10-year (1940-49) average of 394,000,000 bushels. In the Prairie Provinces the wheat crop is expected to reach 455,000,000 bushels as compared with 337,000,000 in 1949 and 370,000,000 for the 10-year average. The anticipated average yield of wheat in the Prairie Provinces this year is 17.6 bushels per seeded acre, with Manitoba averaging 21.4, Saskatchewan 17.3, and Alberta 17.1 bushels per seeded acre. The reduction in quantity from the first estimate is greatest in the Province of Saskatchewan but reports indicate that abnormally high proportions of the crop in all three of the Prairie Provinces will be low in quality.

Canada's 1950 oat crop, now estimated at 415,000,000 bushels is 97,000,000 bushels above the 1949 outturn and about 12,000,000 above the 10-year average.

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NATIONAL NOTES

The Secretary of State for External Affairs, Mr. Pearson, was interviewed by United Nations correspondents on the ABC's "United or Not" programme in New York on September 18.

An inquiry was commenced at Quebec City on September 18 into the fire aboard the Canada Steamship Lines' cruise ship "Quebec" on August 4 which cost seven lives.

William Robert Givens, 82, for 20 years Publisher of the Kingston Daily Standard, and for five years President of the Whig-Standard, died in Kingston on September 18.

Meeting at Sherbrooke, Que., the Canadian Catholic Confederation of Labour, on September 18, adopted a resolution that would ban picketing, and have struck companies close their plants for the length of a strike by employees.

London, Ont., ratepayers voted on September 19 to purchase the present transit system for \$1,000,000.

The Minister of Justice, Mr. Garson, has announced that 395 members of the radical Sons

of Freedom will be released from prison on parole and on a pledge that the Doukhobors will obey the law.

The General Council of the United Church of Canada on September 20 agreed to ask the Anglican Church to join in new talks aimed at union and said it will make further efforts when the Church of England in Canada has pledged itself in a similar definitive manner.

Canada's Civil Defence Co-ordinator, Maj. Gen. F.F. Worthington, said in Winnipeg on September 20 that four-lane arterial highways leading out of large cities are essential to minimize the effects of a possible full-scale war.

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(Continued from P.1) CANADA AT THE UN

follows: On the first two paragraphs of the Canadian proposal, including the Australian amendment, 38 votes in favour to 6 against, with 11 abstentions; on the last paragraph, 42 votes in favour to 8 against, with 6 abstentions.

The two Soviet proposals were put to the vote next. The first one was rejected by 38 votes to 10, with 8 abstentions, and the second by 37 votes to 11, with 8 abstentions.



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WEEK'S EVENTS IN REVIEW

NORTH ATLANTIC COUNCIL MEETING: The Department of External Affairs announced on September 13 that the Secretary of State for External Affairs, Mr. Pearson, was leaving Ottawa that afternoon to attend meetings of the North Atlantic Council which are to be held in New York on Friday and Saturday, September 15 and 16.

The Minister will be accompanied by his Special Assistant, Mr. D.V. LePan, and the following advisers:

Mr. A.D.P. Heeney, Under-Secretary of State for External Affairs;

Mr. L.D. Wilgress, Canadian High Commissioner in the United Kingdom and Canadian representative on the North Atlantic Council Deputies;

Lieut.-Gen. Charles Foulkes, Chief of the General Staff and Chairman of the Chiefs of Staff Committee;

Mr. J.J. Deutsch, Director, International Economic Relations Division, Department of Finance;

Mr. J. George, Defence Liaison Division, Department of External Affairs.

IN PARLIAMENT: When Parliament adjourns upon completion of the current business of the Special Session, it will stand adjourned until February 14, 1951, the Prime Minister, Mr. St. Laurent, announced in a notice of motion on September 12. It could be recalled, in an emergency, before that date.

Progressive Conservative and C.C.F. Party motions of no-confidence, submitted in the Budget Debate, were defeated by 152 to 56 and 147 to 52 respectively on September 12; and the House went into Committee of Ways and Means on Budget resolutions.

The Progressive Conservative amendment would have had the House express regret "that especially at this time, when the people of Canada are suffering from the heavy burden of soaring prices for the necessities of life and are facing extraordinary expenditures for national defence, the Government has failed to take effective steps to curtail non-essential expenditures and improve the general efficiency of Government."

The C.C.F. sub-amendment would have added: "We regret further that the Government has failed to protect the people of this country from profiteering by the imposition of an excess profits tax."

Toward the close of the Budget Debate, Mr. J.G. Diefenbaker, (Progressive Conservative,

BATTLE OF BRITAIN SUNDAY: Battle of Britain Sunday, in honour of the famous "few" fighter pilots who saved Britain in the dark days of 1940, will be observed on September 17, this year, the Minister of National Defence, Mr. Claxton, announced on September 6.

As the tenth anniversary of the culmination of the historic battle, the day will be marked by church parades and special services at RCAF units across Canada. Members of the RCAF Auxiliary and air cadets will join with the regular air force for the services.

In Ottawa the guest speakers will be the two senior chaplains of the United States Air Force, Maj. Gen. Charles I. Carpenter, Chief of Air Force Chaplains, USAF, and Brig. Gen. Augustus F. Gearhard, deputy chief of Air Force Chaplains, USAF.

September 15 is generally accepted as the end of the critical period in the Battle of Britain, as on this date enemy losses in attacks on London rose to a peak, forcing a change in tactics by the Germans. From the second week in July, 1940, until the end of October, the Luftwaffe attempted to gain air supremacy over the British Isles.

First seeking to crush RAF fighter defences by heavy attacks on airfields, aircraft factories, harbours, shipping and radio-location factories, Goering's airmen then turned to London. Swarms of bombers and fighters smashed at the British capital in an attempt to bring the people to their knees. But the tireless efforts of the small band of RAF pilots in their Spitfires and Hurricanes dealt such stunning losses to the German attackers that Hitler was forced to ease his daylight aerial offence. Although night bombing continued, the Battle of Britain was won and the immediate threat of invasion removed.

The Battle of Britain marked the RCAF's baptism under fire as in August, 1940, a squadron of the RCAF for the first time took to the skies against the enemy, won its first victories and suffered its first casualties. Forty-seven Canadian officers and men--three of them with the RCAF and the others serving in the RAF--gave their lives in the Battle of Britain.

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FARM PRICES HIGHER: Canadian farm prices of agricultural products rose to near-peak levels in July, according to index numbers compiled by the Bureau of Statistics. The index for July, on the base 1935-39=100, stood at 262.0 as compared with 258.0 for June, 253.0 for July last year, and the all-time high figure of 263.8 for August, 1948.

The increase in the July index over June is attributable to rising prices for livestock, potatoes, poultry and eggs. Compared with a year ago, higher prices for livestock and potatoes have more than offset declines in the prices received from the sale of grains, dairy products, poultry and eggs.

DR. CUNEO-HARRISON AMBASSADOR OF PERU: Dr. Luis Cuneo-Harrison on September 11 presented to His Excellency the Governor General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Peru to Canada. Mr. A.D.P. Heeney, Under-Secretary of State for External Affairs, was present at the ceremony. Mr. Howard Measures, Chief of Protocol, presented Dr. Cuneo-Harrison to His Excellency the Governor General. Mr. Cesar A. de la Fuente, Counsellor of Embassy, Commander Juan Castro-Hart, Naval Attaché, and Dr. José Alvarado-Sanchez, Third Secretary of Embassy, accompanied the Peruvian Ambassador.

Dr. Cuneo-Harrison has had a distinguished career in the diplomatic service of his country. Born at Tacna, Peru, he graduated in the Faculty of Political and Economic Sciences with a doctor's degree. During his early years in the diplomatic service he held a series of appointments with the Protocol and Ceremonial Division of the Peruvian Foreign Office and was appointed Head of that Division in 1932. Dr. Cuneo-Harrison was subsequently Minister of Panama, Minister to Cuba, General Inspector of Diplomatic Missions abroad and Ambassador to the Dominican Republic. He returned to Lima as Head of the Co-ordination Office of the Peruvian Ministry of Foreign Affairs in 1948. Dr. Cuneo-Harrison now succeeds Don Manuel Cacho-Sousa, former Ambassador to Canada, who returned to Peru last February.

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TO EXPAND UPLANDS AIRPORT: Plans for the development of Uplands Airport were announced on September 11 by the Minister of National Defence, Mr. Claxton.

The position of Ottawa as national capital demands runways and facilities adequate to take every type of aircraft. Defence needs of the Ottawa area also require that R.C.A.F. facilities at Rockcliffe be supplemented by an additional airport in the Ottawa area.

Uplands Airport is therefore to be expanded to take care of increased transport demands and enable aircraft of the largest types to land, at the same time as providing a base for R.C.A.F. operations.

These will include the establishment of a fighter station and various research and other installations.

The whole plan has been worked out between the Department of Transport and R.C.A.F. so as to provide for a combined use of a large airport to provide every kind of facilities.

There will be an increase in research and development activities in connection with the R.C.A.F. at Ottawa and the National Research Council.

To protect future possible developments, a considerable area is being expropriated but it is not expected that the present owners will be disturbed in their occupation for some time to come.

DIRECTOR OF IMMIGRATION BRANCH: C. E. S. Smith, of Ottawa, has been appointed Director of the Immigration Branch, Department of Citizenship and Immigration, it was announced on September 11, by the Minister of Citizenship and Immigration, Mr. Harris.

Mr. Smith has had twenty-five years' experience in the Immigration Service. He has been Acting Director of Immigration since February of this year following the appointment of the former Director, A.L. Jolliffe, as Special Adviser on Immigration to the Deputy Minister.

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SECURITIES TRANSACTIONS. Sales and purchases of outstanding securities between Canada and other countries in June amounted to \$65,800,000, showing an increase of \$15,800,000 over the preceding month, but a decline of \$13,400,000 from the June, 1949 total. Transactions in the first six months of this year aggregated \$288,800,000 as against \$236,000,000 in the like period of 1949.

Sales to all countries in June totalled \$34,400,000 as compared with \$25,900,000 in May, and \$36,700,000 a year ago, while purchases in the month amounted to \$31,400,000 as against \$24,100,000 in May, and \$42,500,000 a year earlier. In the half year, sales aggregated \$149,000,000 as against \$117,100,000 last year, and purchases totalled \$139,800,000 compared with \$118,900,000.

Sales to the United States in June were valued at \$33,500,000 as against \$24,600,000 in May and \$36,200,000 in June last year, and the purchases totalled \$27,100,000 compared with \$21,100,000 in May, and \$41,400,000 last year. In the six-month period, sales to the United States aggregated \$142,100,000 compared with \$113,200,000, and purchases totalled \$122,200,000 compared with \$114,700,000.

June sales to the United Kingdom stood at \$200,000 against \$400,000 in May and \$300,000 last year, and the purchases totalled \$3,900,000 against \$2,400,000 in May, and \$700,000 in June last year. In the six months, sales to the United Kingdom were \$2,400,000 compared with \$1,300,000, and purchases totalled \$15,100,000 against \$2,100,000.

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LIVING COSTS CONTINUE RISE. Composite city cost-of-living indexes for eight centres continued upward during July. Higher food prices were again mainly responsible, notably meats, eggs, sugar and coffee. Among other groups higher telephone rates for Ontario and Quebec were reflected in advances for the home-furnishings and services index for Toronto and Montreal. Fuel and light moved up in Toronto also, due to increases in coke. Clothing prices were higher in Halifax, Saint John, Toronto and Edmonton, while other groups were generally unchanged.

Composite city index increases between July 3 and August 1 were as follows: Edmonton, 1.6 to 165.0; Winnipeg, 1.2 to 163.1; Saint John, 0.9 to 164.9; Saskatoon, 0.8 to 167.2; Montreal, 0.7 to 172.3; Vancouver, 0.6 to 169.6; Halifax, 0.4 to 158.9; and Toronto, 0.2 to 164.4. In the same interval the all-Canada index rose 1.0 to 167.2.

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EMPLOYMENT, WAGES HIGHER: Employment in the principal non-agricultural industries at the first of July showed a considerable seasonal increase, the general trend being favourable in all provinces and in most manufacturing and non-manufacturing divisions. On the whole, the expansion was about equal in extent to the average for July since 1920 although it was greater than in earlier years since 1942.

Based on returns received by the Bureau from over 21,000 leading establishments, the index number of employment reached a new peak for July 1 at 201.9 as compared with 196.4 a month earlier and 199.5 at July 1, 1949. The increase over June of 2.8 per cent in industrial employment was accompanied by a rise of 4.1 per cent to an all-time peak in weekly payrolls, exceeding the July 1, 1949 figure by 6.5 per cent.

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WHEAT STOCKS. Stocks of Canadian wheat in store or in transit in North America at midnight on August 24 totalled 87,556,400 bushels as compared with 89,146,000 a week earlier and 70,667,400 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces during the week amounted to 884,600 bushels, sharply below last year's corresponding total of 19,757,200 bushels. Cumulative total for the first 24 days of the new crop year aggregated 2,015,300 bushels as against 31,675,400 in the similar period of the preceding crop year.

Overseas export clearances of wheat during the week ending August 24 amounted to 1,183,000 bushels compared with 4,019,800 in the corresponding week last year, bringing the cumulative total for the crop year to date to 8,793,200 bushels against 13,710,000 in the similar period of 1949.

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COARSE GRAINS OUTLOOK: Canadian supplies of coarse grains in the current crop year will be well above last year's levels, but another light fodder crop is in sight for most of the country, states the Bureau of Statistics in its quarterly coarse grains review.

The first estimate of production released by the Bureau on August 15 placed the probable outturn of oats at 433,000,000 bushels, 115,000,000 bushels greater than in 1949, and the new barley crop was forecast at 184,000,000 bushels, up 64,000,000 from last year. Rye

advanced from 10,011,000 bushels to 15,367,000, and flaxseed from 2,284,000 bushels to 5,165,000.

Widespread frosts have occurred in western Canada subsequent to August 15 with both yields and quality of grain crops adversely affected. The extent of the damage cannot be fully determined until harvest is completed, but it is known to be considerable.

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WORK-WEEK ANALYSIS: One-quarter of all plant workers in the manufacturing industries of Canada were on a 40-hour week, according to the last annual survey conducted by the Economics and Research Branch of the Department of Labour in October 1949. This survey, which covered 6,400 establishments employing over 720,000 workers in all provinces except Newfoundland, reveals an increase of over 20 per cent in the proportion of workers on a 40-hour normal work week in 1949 as compared with 1948. The normal work week is the usual number of hours worked by most of the employees in an establishment, exclusive of any overtime or short time. The plant workers include all the employees of a manufacturing establishment except the office staff.

In addition to the 25 per cent of the plant employees working 40 hours a week, some 17 per cent of all employees in Canadian manufacturing were working 44 hours a week, 21 per cent were working 45 hours a week and another 20 per cent were working 48 hours a week. There were only seven per cent of the plant employees working more than 48 hours a week.

REGIONAL VARIATIONS

The normal weekly hours of work differed substantially within each region and industry as well as between them. Some indication of the difference in the distribution of hours in the five regions of Canada may be obtained by comparing the proportion of workers in each region working 44 hours a week or less. Forty-eight per cent of the workers in the Maritime Provinces, 28 per cent in Quebec, 51 per cent in Ontario, 71 per cent in the Prairie Provinces and 96 per cent of the workers in British Columbia were on a normal work week of 44 hours or less.

In the Durable Goods Division of the Manufacturing Industries, 27 per cent of the workers were on a 40-hour week, 18 per cent were on a 44-hour week, 22 per cent were on a 45-hour week and 13 per cent were on a 48-hour week. This compares with 22 per cent, 16 per cent, 19 per cent, and 26 per cent respectively for workers in the Non-Durable Goods Division.

The five-day week was reported by 55 per cent of the establishments employing 61 per cent of the plant workers in the manufacturing industries. This represents an increase of ten per cent in the proportion of workers on a five-day week in 1949 as compared with the year previous.

The largest proportion of workers on the five-day week was reported in Ontario, where 72 per cent of the plant employees were on this basis. Sixty-six per cent of the workers in British Columbia, 53 per cent in Quebec, 43 per cent in the Prairie Provinces and nine per cent in the Maritime Provinces were reported on a five-day week.

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NATIONAL NOTES

The 480,000-member Trades and Labour Congress of Canada barred 20 suspected Communists from its annual convention which opened in Montreal on September 11. The Convention pledged full support to the UN in Korea.

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Gen. H.D.G. Crerar, Commander of the Canadian Army in the Second World War, addressed the opening session of the Canadian Legion's five-day convention at Winnipeg on September 10. The convention later called for immediate conscription of manpower for armed forces service.

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Rt. Hon. Vincent Massey was elected President of the Association of Canadian Clubs which met at Calgary, Alberta.

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Senator Henry Alfred Mullins, 89, Progressive Conservative, Marquette, Man., has resigned his seat in the Senate for reasons of health and advancing age.

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The revenues of the Province of Alberta during the first three months of the fiscal year, which ended on June 30 last, have set an all-time record, amounting to \$38,221,000. Total expenditures, including those made on public works of a permanent nature, came to \$24,065,000, leaving an overall cash surplus of \$14,156,000. The total revenue from oil, including sales of leases, royalties on production and rentals, amounted to approximately \$18,000,000. This figure compares with some \$6,000,000 from the same source during the corresponding three-month period last year.

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DELEGATION TO UN ASSEMBLY: The Secretary of State for External Affairs, Mr. Pearson, announced on September 12 the appointment of two additional Parliamentary Advisers to serve on the Canadian Delegation to the General Assembly of the United Nations. They will be Mr. John Decore, Liberal M.P. for Vegreville, Alberta, and Mr. Gordon F. Higgins, Progressive Conservative M.P. for St. John's East, Newfoundland.

MR. GREGG ADDRESSES LABOUR CONGRESS: The following is an extract from the address of the Minister of Labour, Mr. Gregg, before the 65th Convention of the Trades and Labour Congress of Canada, in Montreal, on September 11:

"...No need to tell you that the issues of peace and war are in delicate balance. Communism means to get the fruits of conquest without a world war, if possible. But men who do not know how to live in peace with their neighbours, or live and let live, are apt to miscalculate.

"We would be recreant to our trust and our own safety if we did not honour our pledges in defence plans to preserve the boundaries of the remaining free world.

"We have explored all other paths to peace. There is a world court of peace at Lake Success which communist dictators have deliberately tried to turn into a distracting brawl, bullying such support as they can muster.

"And so reluctantly we come to realize that the easy days are gone, and that ahead lies a programme of converting a part of our industrial output into preparedness for our own safety and that of others...."

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SPECIAL FORCE ENLISTMENTS 8,691: Almost 2,500 volunteers were taken on strength of the regular Navy, Army and Air Force from July 20 to September 2 inclusive, it was announced on September 7 by the Minister of National Defence, Mr. Claxton. A recruiting campaign for all three services was launched July 20.

Hundreds of others have been found suitable and are "in process" of joining the regular forces. The enlistments are in addition to the 8,691 men signed up for the Canadian Army Special Force up to 5.00 p.m. on September 6.

During the July 20 - September 2 period, 425 men were attested by the Navy, 1,475 by the Army and 560 by the Air Force. Of the RCAF total, 251 were air crew and 309 ground crew.

Regular force enlistments for the last week period were 468 compared with 577, 460 and 438 respectively in the preceding week.

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CANADA'S RAILWAYS: "Canada has more railway mileage per capita than any other nation, and makes more use of railways, per capita, than any other country. We operate over 40,000 miles of main track, and I need not tell you how complete the coverage of the ten provinces is. The use of the railways has risen steadily through each decade, from 1,200 ton miles per capita in 1900 to 4,600 today. We still have plenty of work for our railways to do, and it would be a poor Canadian who would look forward to a drying up of our resources and a drastic diminishment of our industrial production, instead of to a continued expansion." - From an address by the Minister of Transport, Mr. Chevrier, before the Montreal Rotary Club, on September 12.

MR. MARTIN'S LONDON, ONT. SPEECH: The following is an excerpt from the address of the Minister of National Health and Welfare, Mr. Martin, to the Opening Day Luncheon of the 75th Western Fair at London, Ontario:

"In the League of Nations and, more recently, in the United Nations, Canada has been a willing partner. In the past five years we have made many efforts to support the cause of collective action to ensure the peace. If quick and effective collective action has not been possible in Korea, it is not our fault. If no United Nations military force was in being to restrain the aggressor in Korea it is simply because the establishment of such a force had been effectively prevented by the same nation that today alone has the power to recall the North Korean troops and to stop the slaughter in this distant land.

"When this recent aggression started and the United Nations called on its member states to come to the aid of the South Koreans who were defending their homeland and their freedom against the aggressor, Canada was quick to act. In the air, our transports are now carrying supplies. On the sea, our destroyers are valiantly carrying out the tasks assigned to them. On land, a splendid group of men is now busy training in Canada for action in Korea or wherever their service will best further the cause of Canada and the United Nations...."

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COMMEMORATE ST. ROCH VOYAGE: The epic voyage of the R.C.M.P. auxiliary schooner St. Roch, first vessel in history to cross from the Pacific to the Atlantic Ocean by the Northwest Passage, is to be commemorated on September 16 at Regina, Saskatchewan. The crossing, unique in the annals of Arctic exploration, was made in the regular course of duty. The St. Roch has since circumnavigated the whole of the North American continent and has also completed the westward crossing of the Northwest Passage.

On the recommendation of the Historic Sites and Monuments Board of Canada, the federal Department of Resources and Development has erected a cut stone monument bearing a bronze tablet on the grounds of the Royal Canadian Mounted Police Training Centre at Regina to commemorate this historic achievement. The Honourable John M. Uhrich, M.D., Lieutenant Governor of Saskatchewan, will unveil the monument and deliver the principal address. The Department of Resources and Development will be represented by Mr. Z.M. Hamilton, Secretary of the Saskatchewan Historical Society, who will also represent the Historic Sites and Monuments Board of Canada at the ceremony.

It is expected that Inspector Henry A. Larsen, who commanded the St. Roch on this voyage, and Corporal P.G. Hunt, a member of the crew, will represent the Royal Canadian Mounted Police.

IN PARLIAMENT

CONTROLS BILLS PASSED: Two Bills to give the Government power to impose controls on certain materials and services and instalment selling were debated and approved by the House of Commons early this week.

The Minister of Trade and Commerce, Mr. Howe, explained in respect of the first measure that the power to impose controls would apply only on articles the prices of which were increased as a result of heavy defence purchasing.

He explained:

"It will not be difficult to determine whether defence purchases of any particular article have the effect of increasing the price of the article, and if that is the effect, the purpose of the present legislation is to give the Government authority to freeze the price and thus prevent public exploitation arising out of government defence purchases."

The second measure seeks to regulate instalment selling, charge accounts and the repayment of loans which are made to finance the purchase of consumer goods.

ON WAR FOOTING: Canada's armed forces have been placed on a war footing and its Korean commitment increased to permit the sending of a total of 15,000 men to aid in restoring peace in Korea. The announcement was made in the House of Commons on September 9 by the Minister of National Defence, Mr. Claxton, as follows:

"Mr. Speaker, by virtue of section 32 of the National Defence Act, as amended by the Bill enacted today, an Order in Council was passed this afternoon which hon. members would wish to have placed before them at the earliest possible moment. It is P.C. 4365 dated September 9, 1950, and it reads:

"In order that officers and men of the Canadian forces, not exceeding 15,000 in number at any one time, may most effectively participate in action undertaken by the United Nations to restore peace in the Republic of Korea, the components of the Royal Canadian Navy, Canadian Army and Royal Canadian Air Force that are referred to in the National Defence Act as the regular forces are hereby placed on active service."

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AUTO SHIPMENTS REMAIN HIGH: Factory shipments of Canadian-made motor vehicles were maintained at a high level in July, amounting to 40,131 units as compared with 41,383 units in June -- the monthly peak for recent years -- and 25,383 in the corresponding month last year. This raised the cumulative total for the first seven months of the year to 231,896 units from 165,498 in the similar period of 1949.

Shipments of vehicles imported from the United States totalled 1,475 units in July, and in the seven months amounted to 11,825

units. Sales of British-made vehicles in the month numbered 6,882 units, and in the seven-month period aggregated 43,267.

Passenger cars continued to account for a large part of the gain in the shipments of Canadian-made vehicles. The month's total rose to 28,720 units from 17,324, and in the seven-month period advanced to 167,284 units from 104,794.

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FIFTH SERIES, SAVINGS BONDS: The Minister of Finance, Mr. Abbott, announced on September 13 that the Fifth Series of Canada Savings Bonds will be placed on sale on Monday, October 16.

The new bonds will be dated November 1, 1950 and will bear interest at 2% a year for ten years. Every bond will be registered in the owner's name, thus affording protection against loss or destruction. They may be redeemed at any time at any bank in Canada for full face value plus interest.

No more than \$1,000 of Fifth Series Canada Savings Bonds may be registered in any one name. Bonds may be bought in the name of each member of a family, whether adult or child, up to this limit. They will come in denominations of \$50, \$100, \$500 and \$1,000.

Arrangements for the sale of the Fifth Series are being made by the Bank of Canada. Regional Directors for the sales under the Payroll Savings Plan have already been named, and they are currently at work organizing to give assistance to establishments in the Maritimes, Quebec, Ontario, the Prairie Provinces and British Columbia. It is expected that in all some 12,000 business and industrial establishments will enable their employees to purchase the bonds on the Payroll Savings Plan. Purchases under this plan in the Fourth Series showed a 19% increase over the previous offering.

Investment firms, chartered banks and other savings institutions comprise the facilities for sales to the general public and are now making arrangements to ensure prompt and efficient service.

In making this announcement, Mr. Abbott said that the Government's decision to make a Fifth Series available was based on the results of the previous offering. Sales of the Fourth Series amounted to \$318,263,050 he said, and afforded the best possible proof of continuing public demand for Canada Savings Bonds.

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1950 CANADA YEAR BOOK: The 1950 edition of the Canada Year Book is now available. This volume is the official statistical annual of the country and contains data on the geography, demography, health, welfare, education, labour, national income, resources, production, trade, transportation, communications, finance -- in fact, on every important subject that has a bearing on the national economy.

The current edition, which extends to 1,300 pages, has been thoroughly revised, and includes in its 32 chapters the latest material at press time. In addition to the regular chapter material there are several special articles dealing with the influence of the R.C.M.P. in the building of Canada, the iron-ore resources of the Quebec-Labrador region, titanium in Quebec, and the Royal Commission on Prices. Upwards of nine maps and 45 diagrams have been inserted.

Statistical data for the new Province of Newfoundland are included in the chapter material wherever possible. However, these are based mainly on the Newfoundland Census of 1945. Since they are not on a basis comparable with those for the rest of Canada, they are introduced as special sections of the appropriate chapters.

* * * *

INDUSTRY

Canadian output of crude petroleum and natural gasoline reached a peak total of 12,498,255 barrels in the first half of this year, showing an increase of 27 per cent over the previous record of 9,812,595 barrels established in the similar period of 1949. The June output was 2,181,342 barrels as against 1,957,195 in May, and 1,701,539 in the corresponding month last year. Alberta's output in the half year totalled 11,782,870 barrels as compared with 9,169,980 in the similar period of 1949.

Production of refined petroleum products was 18 per cent higher in April and the first four months of this year than in the corresponding periods of 1949. The month's output amounted to 6,937,727 barrels as compared with 5,867,875 in April last year, bringing the cumulative total for the four months ending April to 27,951,911 barrels as against 23,714,835 in the similar period of 1949.

Production of sawn lumber in British Columbia was higher in June and the first six months of this year than in the corresponding periods of 1949, while output of lumber east of the Rockies was lower in both periods. Production in British Columbia amounted to 312,514 M feet as compared with 275,901 M in June last year, bringing the cumulative total for the half year to 1,449,432 M feet as against 1,349,238 M in the similar period of 1949.

Revenue freight carried by Canadian railways during May totalled 12,612,721 tons, showing a gain of 714,178 tons or six per cent over last year's May tonnage of 11,898,543 tons. Cumulative figures for the first five months of

this year show 54,690,807 tons of freight carried by Canadian lines, some 2,800,000 under the volume transported in the similar period of 1949.

The factory value of products manufactured by the cotton textile industries of Canada in 1948 was \$240,218,000, showing an increase of 26 per cent over the preceding year's total of \$191,282,000, the Bureau of Statistics has announced.

Carloadings on Canadian railways in the pre-strike week ended August 19 climbed to a record total of 84,026 cars, some 4,855 cars or 6.1 per cent above the 79,171 cars loaded in the same week last year and 3,776 cars over the previous peak for the period reached in 1948.

Creamery butter production in August amounted to 33,832,000 pounds as compared with 34,734,000 in the corresponding month last year, bringing the cumulative total for the first eight months of this year to 189,190,000 pounds as against 195,745,000. The decrease in both periods was three per cent.

Margarine production in August amounted to 6,710,000 pounds, up from the July total of 5,892,000 pounds, but down from the August, 1949 output of 7,287,000 pounds. Cumulative production for the first eight months of this year amounted to 61,639,000 pounds as against 46,043,000 a year ago.

Production of process cheese in August amounted to 3,230,000 pounds, an increase of 58 per cent over the revised July output of 2,041,000 pounds.

Department store sales in August advanced five per cent over the corresponding month last year, according to preliminary figures.

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WHEAT STOCKS: Deliveries of wheat from farms in the Prairie Provinces during the week ending August 31 were sharply lower than in the corresponding week last year, while overseas export clearances were moderately below last year's volume. Visible supplies on August 31 were also down slightly.

Deliveries during the week ending August 31 amounted to 3,005,682 bushels as compared with 20,664,400 a year earlier, and the export clearances totalled 2,923,109 bushels as against 3,110,077. Stocks in store or in transit in North America on August 31 totalled 86,084,483 compared with 86,418,228 bushels.

(Continued from p. 1)

IN PARLIAMENT

Lake Centre, Saskatchewan) asked for a statement as to what the attitude of Canada's representatives was to be at the meeting of the Foreign Ministers of the Atlantic Pact countries, and other meetings, with respect to sending Canadian forces to Europe. Mr. Diefenbaker said that the Rt. Hon. Winston Churchill had suggested the need for two or three divisions from Canada, among others, for Europe.

Mr. Diefenbaker said in part:

"The Secretary of State for External Affairs (Mr. Pearson) will be attending these meetings. Surely we have a right to expect some indication as to what Canada's stand will be. When I say that, I do not mean to imply that any other nations will dictate to us; I mean that Parliament has a right to expect that the attitude to be taken by Canada's representatives be known."

The Prime Minister replied, in part, as follows:

"It should not be forgotten that at the present time Mr. Churchill occupies in the House of Commons at Westminster the same position that is occupied in this House by the hon. member for Carleton (Mr. Drew). He is the leader in that House of His Majesty's Loyal Opposition, responsible to the electors of the United Kingdom. In this country it may be surprising to some, but I am sure not to very many, that decisions about the formation and use of Canadian armed forces are to continue to be made by the Government of Canada, and by the House of Commons responsible to the electors of Canada.

"The hon. member wishes to have some further information. I will say to him at once that the Government of Canada at this time is not considering the raising of Canadian forces to dispatch to Europe as a deterrent to aggression in Europe, and has not before it any such suggestion from any of the Governments of the North Atlantic Treaty nations. Some three weeks ago it had some suggestions from the Council of Deputies of the Permanent Members of the North Atlantic Treaty nations as to the provision of arms and equipment for increasing the deterring forces in Europe with respect to any possible aggression against them there. Those suggestions were considered. The decision of the Government in respect thereof was brought to Parliament, and Parliament has appropriated \$300 million as an answer to that suggestion.

"It should be realized that the planning under the North Atlantic Treaty is being done by the Governments of the North Atlantic Treaty nations, and not by the opposition parties in those respective nations. Personally I do not expect that those Governments will suggest that the armed effort of a nation of some fourteen million people for the purpose of deterring aggression in Europe should be twenty or thirty per cent of the armed effort of a nation of 140 million people. Nor do I feel

they are apt to suggest that the best value to be obtained from Canada's contribution would be by sending men to Europe, and housing, clothing, feeding and providing for them there, rather than by using those men here to help in our production of arms and equipment for men available in Europe, whose need of arms and equipment is greater than the European countries themselves can meet...."

Obviously, the Prime Minister said, the Secretary of State for External Affairs was not going to the North Atlantic Council with a closed mind. The Government was ready to give the most careful and deliberate consideration to everything which might be proposed or recommended.

"But," he proceeded, "our present view is the view that was expressed when the recent defence appropriation was before the House, that is to say, that the most effective immediate contribution Canada can make to the joint strength in Europe of the North Atlantic Nations is the provision of arms and equipment which will enable the young men of the nations of Western Europe to have effective means of providing security for their own homelands, and of building up their combined strength as a deterrent to aggression from any quarter...."

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THE DEATH OF FIELD MARSHAL SMUTS: The following are the partial texts of statements issued by the Prime Minister, Mr. St. Laurent, and the Secretary of State for External Affairs, Mr. Pearson, on the death of Field Marshal, the Rt. Hon. Jan Christiaan Smuts:

Mr. St. Laurent: "It was with profound regret that I learned of the death of Field Marshal the Rt. Hon. Jan Christiaan Smuts. His loss will be deeply felt, not only in his own country, but throughout the whole of the Commonwealth and, indeed, in every part of the world. Jan Christiaan Smuts had adopted the world as his nation. Successively, he had applied his talent, his energy and his vision to such projects as the Union of South Africa, the alliance which was the League of Nations, the association of the Commonwealth of Nations, and the community which is the United Nations. World unity was the leitmotiv of Field Marshal Smuts' long and fruitful career. The world has indeed lost one of its faithful servants...."

Mr. Pearson: "For half a century the name of Field Marshal Jan Christiaan Smuts has signified to people all over the world two great principles in human affairs - political reconciliation and democratic constitutional progress. In South Africa, the leadership which he gave to the process by which elements in the community of English and Dutch origins were drawn together for their common welfare has won universal respect and admiration. Beyond the borders of his own country, he won equal respect, for himself and for his fellow countrymen, by the part which he played in world affairs...."



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WEEK'S EVENTS IN REVIEW

SPECIAL BUDGET TAXES LUXURIES: The following are the highlights of the special budget submitted to Parliament by the Minister of Finance, Mr. Abbott, on September 7, which is designed to curb inflationary pressures and finance Canada's increased defence expenditures:

Personal income taxes unchanged.

Corporation income taxes increased five per cent, retroactive to September 1, 1950.

Liquor taxes increased from \$11 to \$12 a proof gallon, effective immediately.

Tax on malt used in beer increased from 16 to 21 cents a pound, effective immediately.

New 30 per cent tax levied on soft drinks, candy and chewing gum, effective immediately.

Tax of 50 cents a pound levied on carbonic acid gas used in fountain drinks, effective immediately.

No change in rate or application of eight-per-cent sales tax; no revival of excess profits tax; no increase in tobacco taxes.

Excise taxes increased from 10 to 15 per cent on motor cars, tires and tubes, effective immediately.

Excise tax of 15 per cent levied on motorcycles and similar motor-driven vehicles, effective immediately.

Excise taxes increased from 10 to 15 per cent on variety of semi-luxury goods, effective immediately.

Excise tax of 15 per cent levied on golf clubs, golf balls, fishing rods and reels, effective immediately.

Excise tax of 15 per cent levied on variety of electrical household appliances, effective immediately.

Excise tax of 15 per cent levied on firearms and ammunition, except for military and police use, effective immediately.

Yield from new taxes estimated at \$58,900,000 for remainder current fiscal year ending March 31, 1951; \$189,500,000 over a full year.

Surplus of \$15,000,000 expected with revenues estimated at \$2,669,000,000 and expenditures at \$2,654,000,000.

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CONFERENCE ON TARIFFS AND TRADE: The Secretary of State for External Affairs, Mr. Pearson, announced on September 6 the composition of the Canadian delegation to the international Conference on Tariffs and Trade which is scheduled to open in Torquay, England, on September 28.

The delegation will be as follows:

Chairman of Delegation: Mr. L.D. Wilgress, High Commissioner for Canada in the United Kingdom.

Deputy Chairman: Mr. H.B. McKinnon, Chairman, Canadian Tariff Board.

Representatives: Mr. J.J. Deutsch, Department of Finance; Dr. C.M. Isbister, Department of Trade and Commerce; Mr. W.J. Callaghan, Department of Finance; Mr. Louis Couillard, Department of External Affairs; Mr. A.L. Neal, Department of Trade and Commerce; Mr. S.S. Reisman, Department of

RELAXATIONS OF EMERGENCY IMPORT CONTROLS

AFFECTS U.S. MERCHANDISE: The Minister of Trade and Commerce, Mr. Howe, and the Minister of Finance, Mr. Abbott, made a joint statement on August 31 announcing a further substantial series of relaxations in the Emergency Import Controls to take effect October 1, 1950. These relaxations are in several groups and affect all three schedules.

The first group of relaxations consists of those goods which have hitherto been in Schedule I (the prohibited list). The items in this group which will become unrestricted on October 1 include many pulp and paper products, office machinery and appliances, passenger automobile tires, and a long list of small items such as domestic water heaters, cigarette lighters, ash trays, vases, pencil sharpeners, dry cell batteries, and watch straps and bracelets. Pork and pork products will become unrestricted on December 31.

The second group comprises items hitherto in Schedule II (the quota list) which will become unrestricted. The most important items are textile fabrics, soaps, polishes, glassware, kitchen and household hollow-ware and cooking and heating equipment.

TRANSFERS TO QUOTA LIST

The third group consists of items transferred from Schedule I (the prohibited list) to Schedule II (the quota list). The principal items here are cut flowers, perfumery and toilet preparations, electric light fixtures, flashlights, electric irons and dry shaving machines, jewellery, fountain pens and pencils and electric mixers, heating pads and fans.

In Schedule III, administered by the Department of Trade and Commerce, forty-five of the current ninety-five items will be entirely removed from control. Deleted from the Schedule will be such items as certain chemicals, building stone, road paving machinery and railway equipment. Also included on this list of relaxations are fire engines, hearses and ambulances, aircraft and aircraft parts; book-keeping, calculating and invoicing machines and all office machinery parts, production parts for cooking and heating apparatus, vacuum cleaners, clothes wringers, washing machines, irons and electric shavers.

In calculating the 1951 allotment permits, covering the fifty items remaining under Schedule III, the following administrative relaxations will be adopted:

1. Unexpended balances of 1950 allotments

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DR. COLEMAN AMBASSADOR TO CUBA: The Department of External Affairs announced on September 1 that, following the elevation of the Canadian Legation at Havana and the Cuban Legation at Ottawa to the status of Embassy, Dr. E.H. Coleman, K.C., C.M.G., Canadian Minister

may be carried forward on request, when the application to the Department of Trade and Commerce is supported by a valid reason;

2. Dealer allotment permits for 1951 will be increased by twenty per cent;
3. Allotment permits for production materials and component parts for manufacturers in 1951 will be issued at the same rate as for 1950. It is anticipated that these allotments will be satisfactory to the great majority of manufacturers but the Department will consider any upward revision that manufacturers may request.

With respect to Schedule I and II Mr. Abbott said that when the changes become effective there would no longer be any complete prohibitions under Schedule I and that the scope of present quota restrictions under Schedule II would be reduced by about one-half. The principal items remaining in Schedule I will be comics and "pulp" magazines, printed or manufactured soft synthetic sheeting, pleasure boats with inboard power, ornaments, punch boards and pinball games, and coin-operated vending and amusement devices. Even these, however, will not be completely prohibited but will be importable freely from non-scheduled countries, and may also be imported from scheduled countries by those who have regular quotas under the prescribed sections of Schedule II.

THE TEXTILE SECTION

The suspension of practically all fabrics from Category 2 of Schedule II (the textile section) leaves under quota the tariff items covering wearing apparel, blankets, knit goods, hats and caps, floor covering, furs and fur garments, and a few miscellaneous items in this group.

The total base period imports of all goods now under quota in Schedule II amounts to about \$200 million. After October 1 quotas will apply to goods of which base period imports were about \$100 million in value.

Commenting on the relaxations Mr. Abbott pointed out that the Canadian gold and U.S. dollar reserves had improved steadily during the past six months, and added that if this improvement continued, and barring other unforeseen circumstances, he could look forward to further relaxations, or indeed to the complete suspension of all the remaining emergency import controls.

to Cuba, has been appointed Ambassador and will continue in charge of the Mission at Havana.

The Cuban Government has announced its intention of nominating an Ambassador to Canada in the near future.

SEEK TO LESSEN MANITOBA FLOOD HAZARD

SURVEYS PROVIDE INFORMATION: The Minister of Resources and Development, Mr. Winters, announced on September 1 that work has been actively in progress for some weeks on investigations and surveys in Manitoba designed to provide information on which to base measures for reducing the hazard of flood such as occurred last spring in the Winnipeg area. Surveys are being conducted by Resources Department officials in close co-operation with several other federal Departments as well as with the Province of Manitoba.

These investigations at the outset involve the basic topographic, hydrometric and hydrographic surveys which are a first essential in formulating any plans for remedial measures.

Overall co-ordination of the surveys rests in the hands of the Water Resources Division of the Department of Resources and Development. The Division itself, throughout the flood and since, has been engaged in the collection and analysis of data concerning the flows and water surface elevations experienced at various points on the Red River and its tributaries. The Division has also under way a hydrographic survey of the bed and banks of the Red River extending from the Agricultural College, near Winnipeg, southerly to Emerson at the international boundary.

Hydrographic surveys of the bed and banks of the navigable reach of the river from the Agricultural College through Greater Winnipeg and northerly to Lake Winnipeg are being undertaken by the Greater Winnipeg Dyking Board under the auspices of the Department of Trade and Commerce. These surveys will include sub-surface explorations in reaches of the river where controls exist such as at Lister Rapids and below Lockport.

Precise levelling and topographical surveys in the basin are being carried out by the

Surveys and Mapping Branch of the Department of Mines and Technical Surveys. Work commenced on July 24 on a line of precise levels along the west side of the Red River from Winnipeg to Emerson, and the level party expects to reach Emerson at the end of the week. Lateral lines from this base line will then be run to points east of the river to establish precise controls in that area. Topographic surveys of the area inundated in the 1950 flood were commenced in mid-August, and it is planned to have ground control work and the aerial photography necessary for the preparation of a contour map of the area completed before winter conditions set in. Further topographic surveys, if required, will be made east and north east of Greater Winnipeg in the area where floodways have been proposed.

Investigations of several storage reservoir sites on the upper waters of the Assiniboine River have already been made by the Prairie Farm Rehabilitation Administration of the Department of Agriculture, and further investigations of such possibilities are being undertaken together with surveys of a possible route to divert surplus waters of the Assiniboine River to Lake Manitoba from a point in the vicinity of Portage La Prairie. Reconnaissance surveys are also to be made by P.F.R.A. of storage possibilities in the valley of the Pembina River in Manitoba.

Mr. Winters stated that this is a problem involving a large area and a number of rivers. In order to avoid a piece-meal approach or incomplete conclusions, it is important that all engineering data be accumulated before an overall solution can be contemplated. The Minister made it clear, however, that if it was agreed that certain specific action was required as part of any over all solution, arrangements would doubtless be made to have the required work initiated at once.

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MUNICIPAL FINANCES: Revenues and expenditures, tax collections and gross debenture debt of municipalities in eight Canadian provinces increased considerably in 1948 over 1947, according to the annual report on financial statistics of municipal governments by the Bureau of Statistics. Statistics for Quebec municipalities are not included in the report, as they were not available at time of publication, and Newfoundland did not enter Confederation until the following year.

General municipal revenues for the eight provinces totalled \$396,000,000 in 1948, up nearly 13 per cent from \$349,000,000 in 1947. General expenditures showed a slightly smaller increase of 11.6 per cent from \$355,000,000 to \$396,000,000, these totals being exclusive of surpluses of previous years used to reduce taxation, and deficits of previous years met

from the current year's revenue.

Taxes levied and taxes collected both increased 12.4 per cent over the previous year's totals, the levies from \$263,000,000 to \$296,000,000 and collections from \$261,000,000 to \$293,000,000. Tax collections in 1948 were 99.1 per cent of current levies. Assessment of property and business -- the basis of by far the greater part of the levies -- rose by 4.2 per cent from \$6,333,000,000 to \$6,601,000,000.

Gross debenture debt grew 10.9 per cent in 1948, from \$547,000,000 in 1947 to \$607,000,000. This rise followed an increase of \$13,000,000 or 2.4 per cent in 1947 and marks the renewal of public works construction on a large scale after the wartime lull, when little capital was borrowed and debenture debt was reduced.

LIVING COSTS RISE 1 POINT: The Bureau of Statistics cost-of-living index advanced 1.0 points to 168.5 between July 3 and August 1. The index stood at 162.8 on August 1, 1949, and at 157.5 on August 2, 1948. From August, 1939, to August, 1950, the increase in the cost-of-living index was 67.2 per cent.

Foods were again responsible for most of the July increase; the index for this series moving from 214.3 to 216.7. Prices continued upward for practically all meats, while eggs, sugar and coffee also advanced.

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JOINT WEATHER PROGRAMME: The United States Coast Guard ship and three United States Navy vessels which sailed this summer to the Canadian Arctic regions in support of the joint weather programme being carried out there by the Governments of Canada and the United States have now returned to east coast ports. It was announced in Ottawa and Washington on July 12 that the four ships (the icebreakers USS "Edisto" and USCGC "Eastwind", the cargo vessel USS "Whitley", and the USS "LST 533" which was to serve as a cargo vessel) with Canadian and United States representatives aboard, were sailing to the Arctic.

During the summer they resupplied the joint weather station at Alert, Ellesmere Island, which was established during the spring of 1950. A stock of supplies and equipment required for this station was taken in by United States Navy water transport in 1948 and by Canadian and United States Air Force transport aircraft in the spring of 1950 when the station was set up. The joint weather station at Resolute, Cornwallis Island, opened in 1947, and the station at Eureka, Ellesmere Island, established by airlift in the spring of 1947, were also resupplied.

POLAR ICE 30 FEET THICK

En route to Alert, the icebreakers proceeded through heavy polar pack ice of up to 30 feet in thickness, the heaviest encountered in five years of Arctic resupply operations. The USCGC "Eastwind" reached 82 degrees 36 minutes 45 seconds latitude, within 445 nautical miles of the North Pole, while passing the northeastern tip of Ellesmere Island. This is believed to be the northernmost point in the western hemisphere reached by any ship under its own power.

The ships en route to Resolute, the major resupply port for the task group, found Lancaster Sound completely free of ice and encountered only a few small fields of scattered ice in Barrow Strait, a favourable condition which had not been enjoyed by some of the former resupply missions. Excellent weather, except for fog, continued throughout the four days the ships were anchored off Resolute weather station, Cornwallis Island.

The USS "Edisto" carried two helicopters and the "Eastwind" one helicopter, all of which were used extensively and to great advantage

in short-range ice reconnaissance and for the transportation of Canadian Government surveyors and other field technicians to locations where astro positions, terrain elevation, geology, wildlife and other reconnaissance field studies were accomplished.

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CANADIAN SQUADRON AT LONDONDERRY: The Canadian Special Service Squadron -- the aircraft carrier Magnificent and destroyers Huron and Micmac -- arrived on September 1 at Londonderry, Northern Ireland, and were warmly welcomed by the Royal Navy and by the many friends made at Derry by Canada's wartime convoy fleet, the Royal Canadian Navy reported on September 1.

Almost immediately, the commanding officers of the three ships, Commodore K.F. Adams, Lieut.-Cdr. E.T.G. Madgwick and Lieut.-Cdr. F.C. Frewer, sat down to conferences with officers of the Joint Anti-Submarine Training School here to tidy up the final details for the heavy training programme that lies ahead.

First of all, there will be special courses at the school for officers and men of the ship. Instruction will be given in the latest anti-submarine tactics developed at the school, one of the most advanced of its kind in the world.

Then the ships will go to sea for a series of intensive exercises. Working with destroyers and frigates of the Royal Navy, the Canadian ships and aircraft will be opposed by RN submarines whose job it will be to give them as stiff a work out as possible.

Nearly 24 hours before the Magnificent and her attendant destroyers reached Londonderry, their arrival was heralded by the carrier's three squadrons of aircraft. The Sea Furies and Fireflies took off from the Magnificent's flight deck Thursday and roared shoreward, landing at the Royal Navy's base at Eglinton, near Londonderry.

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INTERNATIONAL FISHERIES MEETING: Dr. A.W.H. Needler, Director of the Atlantic Biological Station of the Fisheries Research Board of Canada at St. Andrews, N.B., will be the Canadian representative at the annual meeting, in Copenhagen, of the International Council for the Exploration of the Sea. It is to be held from October 2 to 11.

The council is the oldest international body on fisheries research in the world.

While in Europe, Dr. Needler is expected to attend a meeting of fisheries technologists in Bergen, Norway, from September 24 to 29. This meeting has been called by the Food and Agriculture Organization of the United Nations, and the fisheries experts, drawn mostly from northwest European countries, will discuss technical problems, paying particular attention to processing and utilization, the Fisheries Department Trade News reports.

JOBS FOR 10,000,000: A total of 9,635,796 jobs had been found and filled by workers recruited by the National Employment Service in the nine-year period from July 1, 1941, (when it commenced operations) to June 29, 1950, it was announced on September 1 by the Minister of Labour, Mr. Gregg.

The Minister made this announcement in commenting on the fact that 10 years ago an Act was passed by Canadian Parliament that has benefited thousands of Canadians in every walk of life. This was the Unemployment Insurance Act of 1940.

The Unemployment Insurance Act gave birth to two institutions, one a complement of the other, the necessity for one arising out of the need for the other - Unemployment Insurance and the National Employment Service.

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EXPORTS AGAIN RISE: Featured by a sharp gain in shipments to the United States, Canada's domestic exports to all countries in July rose to \$253,700,000 from \$241,300,000 in the corresponding month last year. This year's July total was five per cent above the same month last year and six per cent above the average of \$238,400,000 for the first six months of the year. During the seven months ending July the aggregate value was \$1,684,300,000 as against \$1,665,900,000 in the similar period of 1949.

Exports to the United States in July were below the all-time monthly peak reached in June, but were three-fifths higher than a year earlier, and accounted for an exceptional 66 per cent of total shipments to all countries compared with 43 per cent a year ago. The trend in exports to the United Kingdom and other Commonwealth countries continued downward, dropping in each case to half last year's July value. Exports to Latin American countries moved higher in value, but shipments to Europe were lower. There was a small rise in the value of exports to other foreign countries.

EXPORTS TO U.S. RISE

Exports to the United States rose in the month to \$168,196,000 from \$104,391,000 a year ago, bringing the cumulative total for the first seven months of the year to \$1,073,144,000 from \$795,251,000 a year earlier.

There were sharp gains among the commodity groups of exports to the United States, all nine being higher than a year earlier. The largest increases were in wood, wood products and paper, animals and animal products, and non-ferrous metals and products. The wood and paper group advanced from \$52,002,000 to \$86,113,000, animals from \$13,677,000 to \$22,524,000, and non-ferrous metals from \$13,139,000 to \$21,490,000.

July exports to the United Kingdom were valued at \$35,169,000, down 50 per cent from \$70,555,000 in the same month last year, and in the seven-month period were down to \$271,-

086,000 from \$406,159,000. There were declines in July in seven of the nine groups. Agricultural products, largest in value, fell from \$31,364,000 to \$19,231,000, non-ferrous metals from \$14,934,000 to \$5,628,000, wood and paper from \$10,917,000 to \$3,741,000, and animals from \$7,375,000 to \$4,478,000.

Shipments to other Commonwealth countries fell in the month to \$16,300,000 from \$30,000,000 a year earlier, and in the seven-month period to \$111,000,000 from \$197,900,000. Exports to the Union of South Africa declined in July from \$9,582,000 to \$4,123,000, India from \$8,591,000 to \$2,815,000, and Australia from \$3,538,000 to \$3,002,000.

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BUSINESS

Department store sales in Canada in July -- not including Newfoundland -- totalled \$55,263,000, showing an increase of 11 per cent over last year's July figure of \$49,885,000. During the first seven months of this year, sales advanced slightly to \$432,990,000 from \$432,105,000.

The advance in commercial failures in evidence for the last four years was continued in the first half of this year. The number reported to the Bureau, under the provisions of the Bankruptcy and Winding Up Acts in the half year was 720, as compared with 500 in the first six months of 1949. The defaulted liabilities, at \$12,400,000, were up nearly 43 per cent from \$8,725,000 in the same period of 1949.

Canadian manufacturers turned out an all-time record number of household electric refrigerators in June and the first half of this year. Output of electric refrigerators rose in June to 34,707 units, more than double last year's corresponding total of 15,810. In the half year, 158,314 units were produced compared with 84,776 in the like period of 1949.

July landings in the sea fisheries of Canada -- not including Newfoundland -- amounted to 144,811,000 pounds valued at \$8,792,000 as compared with 127,423,000 pounds at \$7,156,000 in July last year, showing an increase of 13.7 per cent in quantity and an advance of 22.8 per cent in value.

Canadian wholesale prices moved upward in July for the seventh successive month to reach an all-time high record level. The July index, on the base 1926=100, stood at 166.9, up 1.9 points above the new peak established in June, and 10.3 points above July last year. Since the first of the year the index has risen from 157.1. The high point for the index before June this year was 164.3 registered in May, 1920.

ARMY WEEK, SEPTEMBER 17-24: "Army Week", designed to give Canadians a behind the scenes peek at their Army in action, will be held this year from September 17-24.

All army camps, stations and buildings -- including those in the Northwest Territories -- will be opened to the public and millions of dollars worth of equipment will be on display.

In larger communities the seven day period in which officers and men of both the Active and Reserve Forces will play host to civilians, will be highlighted by a spectacular series of displays, demonstrations and parades. All units will hold "open house" at least once during the week.

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\$850,000,000 FOR DEFENCE: The House of Commons, on September 5, commenced debate on Canada's defences and defence expenditures, based on the Defence Appropriations Act sanctioning expenditures to total ultimately over \$858,000,000 additional to funds voted at the last Session.

The various proposed appropriations were outlined in the following resolution, introduced by the Minister of Finance, Mr. Abbott:

"Resolved, that sums not exceeding \$142,200,200 be granted to His Majesty towards defraying expenses of the naval, army and air services of the Canadian forces:

"That His Majesty may also incur commitments during the fiscal year ending the 31st day of March, 1951, for expenditures on the naval, army and air services of the Canadian forces in later years in amounts not exceeding \$409,257,821 in addition to the total amount of such commitments specified in the schedule to the Appropriation Act, No. 4, 1950,

FOR DEFENCE RESEARCH

"Resolved also, that commitments not exceeding \$5,310,000 in addition to the amount of commitments specified in the schedule to the Appropriation Act, No. 4, 1950, may be incurred during the fiscal year ending the 31st day of March, 1951, for expenditure on defence research and development in later years, and also that sums not exceeding \$2,000,000 be granted out of the Consolidated Revenue Fund to His Majesty towards defraying the expenses for the land services of the Royal Canadian Mounted Police in addition to any other grant of Parliament;

"And resolved further, that sums not exceeding \$300,000,000 be granted-out of the Consolidated Revenue Fund to His Majesty, in addition to any other grants of Parliament, for the production, acquisition, repair and provision of equipment, services, supplies and facilities, for the use of the defence forces of Canada and those of any party to the North Atlantic Treaty, and the construction, improvement and repair of facilities, and the

acquisition, processing, and storage of materials, supplies and equipment, required to produce and otherwise make available any such equipment, supplies, services and facilities;

"With provision also empowering the Governor in Council to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, such sum or sums of money not exceeding in the whole the sum of \$300,000,000 as may be required for the purpose of defraying the aforesaid expenses, the principal and interest of any such loan to be a charge upon and payable out of the consolidated revenue fund."

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MR. MAYHEW TO REPRESENT CANADA: The Secretary of State for External Affairs, Mr. Pearson, announced on September 6 that Mr. R.W. Mayhew, Minister of Fisheries, will represent the Canadian Government at the meetings of the Commonwealth Consultative Committee on South and Southeast Asia, which will begin in London on September 25. Mr. Mayhew represented the Canadian Government at the previous meeting of the Committee in Sydney, Australia, last May. He was also present at the Commonwealth meeting on foreign affairs in Colombo last January.

The coming meeting in London will carry forward the discussions held in Sydney. These dealt with both the provision of technical assistance to countries of South and Southeast Asia and a review of major capital developments planned in the area.

Assisting Mr. Mayhew, as chief adviser, will be Mr. J.J. Deutsch of the Department of Finance. Mr. D.V. LePan, of the Department of External Affairs, will also act as adviser. They will be assisted, as necessary by officials from Canada House.

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AUTO SALES SOAR: July sales of new motor vehicles fell slightly below the record volume reached in June, but remained well above July last year, according to the Bureau of Statistics. Financing of sales of new and used motor vehicles continued to show marked increases.

Sales of new motor vehicles in July numbered 44,045 with a retail value of \$89,407,580, as compared with 45,814 units sold for \$93,475,586 in June, and 29,177 units at \$59,294,941 in July last year. Cumulative sales for the first seven months of this year totalled 257,951 units valued at \$518,905,045 as against 166,898 valued at \$348,284,481 in the like period of 1949.

Sales of new passenger cars in July totalled 33,137 units with a retail value of \$67,207,026, showing gains of 50.2 per cent in number and 49.6 per cent in value over the 22,057 cars sold for \$44,909,873 in the same month last year. Truck sales at 10,864 units retailed for \$21,462,008, up 53.4 per cent in number and 55.7 per cent in value

CONFERENCE ON TARIFFS AND TRADE

Finance; Dr. A.E. Richards, Department of Agriculture; Mr. B.G. Barrow, Department of Trade and Commerce; Mr. H.V. Jarrett, Department of Trade and Commerce; Mr. J.P.C. Gauthier, Department of Trade and Commerce. Secretary: Mr. H.H. Wright, Department of External Affairs.

The Torquay Conference will include two sets of meetings under the General Agreement on Tariffs and Trade. The first will consist of a third round of multilateral tariff negotiations commencing when the Conference opens. These meetings will follow the pattern of the Geneva (1947) and Annecy (1949) tariff negotiations and are expected to continue for six months.

The second set of meetings will take place under the terms of the General Agreement on Tariffs and Trade which require contracting parties to meet from time to time to give effect to certain provisions of the Agreement which involve joint action and, generally, to facilitate the operation and to further the objectives of the Agreement. These meetings opening on November 2, will be the fifth such session of contracting parties since the negotiation of the General Agreement at Geneva in 1947.

Mr. Wilgress has been re-elected Chairman of the contracting parties; in that position he will preside over the tariff negotiations and the Fifth Session of the contracting parties.

Mr. McKinnon will be Chairman of the two Canadian negotiating teams; for this purpose he will be seconded to the Department of External Affairs. Mr. Deutsch of the Department of Finance will be in charge of the negotiations with regard to Canadian tariffs and Mr. Isbister of the Department of Trade and Commerce will be in charge of the negotiations with regard to foreign tariffs.

The following countries are expected to participate in the Torquay Conference:

Australia, Austria, Benelux, (i.e. Belgium, the Netherlands and Luxembourg, Brazil, Burma, Ceylon, Chile, Cuba, Czechoslovakia, Denmark, Dominican Republic, Finland, France, Western Germany, Greece, Guatemala, Haiti, India, Indonesia, Italy, Liberia, New Zealand, Nicaragua, Norway, Pakistan, Peru, The Philippines, Sweden, Syria-Lebanon Union, Turkey, United Kingdom, Union of South Africa, United States, and Uruguay.

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APPLE CROP DOWN 16 P.C.: With the exception of apples and pears, prospects for tree-fruit and grape crops improved slightly during the past month, according to the third estimate of fruit production released by the Bureau of Statistics. The apple and pear crops are estimated to be three per cent lighter than was anticipated in July.

The apple crop, currently set at 15,209,000 bushels, will be 16 per cent below the 1949

harvest of 18,151,000 bushels, the drop in outlook being due to poorer prospects in Nova Scotia where high winds and severe scab infestation have reduced both the size and quality of the fruit. The crop in Ontario and British Columbia showed some improvement during the month while prospects in New Brunswick and Quebec remained unchanged.

The anticipated pear harvest is set at 703,000 bushels, 30 per cent lower than last year's crop of 1,000,000 bushels. Plums are also down sharply this season, the current estimate of 519,000 bushels being 37 per cent below the 1949 level of 827,000 bushels, but seven per cent higher than was expected last month. The peach crop shows a minor upward revision since July at 1,160,000 bushels; the crop, however, is still well below the 1949 harvest of 2,011,000 bushels

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MR. MCILRAITH TO LONDON CONFERENCE: The Secretary of State for External Affairs, Mr. Pearson, announced on September 7 that Mr. George J. McIlraith will represent the Canadian Government at general economic and financial discussions amongst Commonwealth countries that will take place in London during the week beginning September 18. Mr. McIlraith is Parliamentary Assistant to the Minister of Trade and Commerce.

The meetings are timed so that Commonwealth representatives, who are attending meetings in Paris of the International Monetary Fund and the International Bank for Reconstruction and Development, may proceed to London when the Paris meetings are over.

Mr. Graham F. Towers, Governor of the Bank of Canada, who is attending the Bank and Fund meetings in Paris will go on to London to attend the discussions with Mr. McIlraith. Mr. John J. Deutsch, Director of the International Economic Relations Division of the Department of Finance, and Mr. Claude Isbister, Director of the International Trade Relations Division of the Department of Trade and Commerce, will also attend as advisers.

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MR. TOWERS TO PARIS: It was announced on September 1 that Graham Towers, Governor of the Bank of Canada, would represent Canada at the annual meetings of the International Monetary Fund and the International Bank for Reconstruction and Development which began on September 6 in Paris.

Also attending the meetings will be Mr. L. Rasminsky, Canada's Director on the Boards of the Fund and the Bank, and Mr. J.F. Parkinson, Alternate Director.

Mr. Towers is Alternate Governor of both these organizations and is attending the meetings because of the necessity for the Governor, the Hon. Douglas Abbott, to remain in Ottawa for the emergency session of Parliament.

Mr. Towers expects to visit the United Kingdom following the Paris meetings.

THE WEEK IN PARLIAMENT

KOREAN SITUATION DISCUSSED. By the formation of a Special Force for the service of the United Nations in Korea or elsewhere, Canada may have begun the establishment of United Nations forces, the Secretary of State for External Affairs, Mr. Pearson, told the House of Commons on September 4, in the debate on the Address in reply to the Speech from the Throne.

The Address was adopted on September 5, after the defeat of proposed amendments by the Leader of the Progressive Conservative Party, Mr. Drew, and by the Leader of the C.C.F. Party, Mr. Coldwell. Mr. Drew's amendment would have had the House express regret "that your Excellency's advisers have failed to provide adequately for the defence of Canada and have failed to take steps to deal with inflation and the rapidly rising cost of living."

TEXT OF SUB-AMENDMENT

Mr. Coldwell's sub-amendment would have added the following words: "By the imposition of price controls and the provision of necessary subsidies; we regret further that your Excellency's advisers have failed to include in Canada's defence programme substantial economic aid for under-developed countries, for it is the opinion of this House that the spread of Communism cannot be prevented by military action alone, but only by the provision, in addition, of all possible assistance to bring about social and economic progress in such countries."

Although Opposition members criticized the Government for what was described as its "hesitation and evasion" over the sending of ground troops to Korea, the debate, which lasted five days, revealed almost complete unanimity on the two major issues discussed, the assumption by Canada of its obligations in the defence of Korea by United Nations forces against Communist aggression; and the necessity for greatly increased defence expenditures.

During the course of the debate Mr. Howard Green, Progressive Conservative, Vancouver-Quadra, urged that Canada help to bring about the creation of a Pacific Pact. In reply, the Secretary of State for External Affairs, Mr. Pearson, stated that:

"... in our view it would be unwise for this Government at this time not only to take

any leadership in regard to a Pacific Pact but to participate in present circumstances in such a pact along the line of that which has been shown to be effective in the North Atlantic region. I say that because in the first place a particular procedure in regard to one region of the world is not necessarily the best procedure in regard to another; and that the conditions which made desirable, indeed even necessary, that kind of mutual guarantee pact in the North Atlantic do not exist in the Pacific at the present time, and I am sure no Hon. Member thinks that they do exist...."

Opposition Party Leaders and the Prime Minister, Mr. St. Laurent, had spoken previously in the debate, Mr. Drew and Mr. Coldwell submitting their proposed amendment and sub-amendment at the conclusion of their respective speeches. The following is an excerpt from the address of the Prime Minister:

OPTIMISTIC PROSPECTS

"... I was comforted by the optimistic prospects held out by the Leader of the Opposition (Mr. Drew). I hope and feel as he does that we may be not far from the dawn of an era of lasting peace. I read in a recent dispatch that a diplomat of great experience had said that the prospects of a decade of peace were brighter now than they had been at any time since the outbreak of this cold war. But some other had added: 'Provided we get through the next decade of months without war.' I am inclined to think that there is a lot of truth in that reservation. The free nations of the world are now undergoing a test which may be a very vital one. And when they do - as I hope and feel confident that they will - within the next ten months - demonstrate that united action by them can be effective to put down aggression, I think that we can look forward then with the confident expectations implied in the speech of the Leader of the Opposition, to a long period of absence of war, if not full peace, because there cannot be full peace for us when we are in the throes of a nerve-racking cold war...."

The Leader of the Opposition, Mr. Drew, reiterated a request for the appointment of a Special Committee on Defence. He suggested that it should meet immediately and that instead of this special session proroguing, it should adjourn and come back to hear a report by that Special Committee on national defence.

NEWFOUNDLAND WAGES: Average weekly salaries and wages in the major non-agricultural industries of Newfoundland in June ranged from a low of \$20.60 in the services industries to a high of \$47.91 in mining, according to first figures on employment and earnings in Newfoundland released by the Bureau of Statistics.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on August 17 totalled 89,146,000 bushels as compared with 93,521,400 a week earlier and 56,815,400 on the corresponding date last year.



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WEEK'S EVENTS IN REVIEW

PARLIAMENT HALTS RAIL STRIKE: The general rail strike, which for nine days had paralyzed 40,000 miles of railways, and all telegraph services ended on the night of August 30.

In response to an emergency back-to-work law enacted by Parliament in an all-day, non-stop sitting, leaders of the 17 international and Canadian unions involved issued a nationwide, return-to-work order over the radio at 10:15 p.m. Some workers were back at work in a matter of minutes; trains started to roll again within a few hours.

The prime provision of the Bill passed by Parliament and given Royal Assent on August 30 was that the railways and the unions must resume operation of railroads and subsidiary services within 48 hours after the measure became law. The union spokesmen, Frank H. Hall and A.R. Mosher, had declared before-hand that the strikers would obey such a law. After all-day debate, the Bill was given final reading in the House of Commons at 7:18 p.m.; the Senate, standing by, acted swiftly to give its approval, and Royal Assent was accorded without delay.

The emergency Bill passed by Parliament

assures the workers of receiving at least as much as the final settlement offer of the railways on which negotiations were broken off on the night of August 26. This will give them an immediate wage increase of four cents an hour -- three cents short of the union demand -- and a 40-hour week with pay for 48 hours, effective September 1, 1951, with hotel and water employees included in these benefits.

Under the new law the railways and unions are to resume negotiations immediately, with an arbitrator to be appointed if they fail to reach agreement within 30 days. The arbitrator's decision would be binding on both parties. This provision aroused controversy, but an opposition amendment calling for its deletion was defeated by 175 to 49, with the C.C.F. supporting the Progressive Conservatives.

The Prime Minister, Mr. St. Laurent, had stated on the previous day that the Bill was not intended to provide for any permanent procedure for the handling of labour relations.

The text of the Speech from the Throne, read on August 29 at the opening of the emergency session of Parliament by Viscount Alexander, Governor General, follows:

MR. HOWE AT CANADIAN NATIONAL EXHIBITION OPENING

CALLS FOR PREPAREDNESS: The following is the partial text of the address by the Minister of Trade and Commerce, Mr. Howe, at the opening of the Canadian National Exhibition in Toronto, on August 25:

"...While we are here to enjoy ourselves for the moment, we cannot forget that the world is faced with a grim struggle between two opposing ways of life. If that struggle should be lost, the Canadian National Exhibition, and all it stands for, would be surrounded by a very different atmosphere than exists here today....

PEACE AND SECURITY

"I am sure that all of us heartily wish that the ambitious men who are directing the international Communist movement would leave the rest of the world in peace. It would be better for us, and far better for the unhappy people under their control, if the governments of Communist dominated lands would turn their energies to the tremendous task of trying to raise the standard of living of the people in the countries which they control. If they would do that, there would be some hope of giving to these countries a measure of peace, happiness and security, which the rest of us would like them to have, if only because it would also mean peace and security for us.

"There are still good grounds for believing the totalitarian Communist leaders are not prepared to risk a general war to achieve their ends. But we cannot be sure. And we know they have stepped up their efforts by aggression in one part of the world, and by their tactics of infiltration in other parts.

"If the Communists ever succeed in dominating Europe and Asia, the danger to this continent would be very great, and the difficulties of successful defence almost insuperable. That is why we are literally acting in our own defence when we stand with those in Asia and Europe, who are resisting, or preparing to resist Communist aggression, and give them what assistance we can....

"What is our part in this tremendous strug-

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PHOTOGRAPHING THE ARCTIC: While most Canadians are sweltering in the summer temperatures, a group of Rockcliffe airmen are longing for a little of that sunshine and warmth. They are officers and airmen of the RCAF Photographic Detachment now based on an Arctic Island situated in the midst of Canada's Arctic Archipelago.

This Detachment of 408 Photo Squadron from Rockcliffe Airport have been flying from this northern air base since the middle of June and are carrying out a photographic survey of the islands for the production of aerial maps.

Their task is not an easy one. The hazards of flying over an area lying north of the

gle to save the world from Communist domination? Despite the size of our country and our great resources, our part will necessarily be relatively modest since, after all, we are a nation of only some 14 million people. The larger portion of the load must inevitably be carried by the great powers and particularly by the United States and the United Kingdom. But no people are quicker than Canadians to appreciate that we have a moral duty to assist our larger friends and neighbours. And we recognize that our great resources and the endowments of our people enable us to make an effective contribution.

"Our most immediate task is to strengthen our defences. The Communist aggression in Korea has shown us that we must have larger trained forces in being, available to assist in countering outbreaks there and elsewhere.

DEFENCE PROGRAMME

"In the last two months, our whole defence programme has been accelerated. We are discussing with our friends in the United States and other countries signatory to the North Atlantic Pact how we can best step up production to provide equipment and weapons of war for our allies, as well as our own forces. We must be prepared to do our part under the terms of the United Nations Charter and the North Atlantic Treaty.

"First place must be given to re-armament and to all its implications. In doing this, however, we must not neglect the general strength of our economy and the welfare of our people....

"All of what I have been saying is no short-term programme. It is something to which we must bend our intelligence and energy for years ahead. It will not be easy. Furthermore, we can expect to be living constantly in a period of tension and unrest as no doubt the Communists wish us to do. There will be further unpleasant incidents; there will be threats; there will be disruptions in what we have considered our ordinary peaceful way of living...."

Magnetic Pole are great as here the usually-reliable compasses refuse to operate efficiently due to their proximity to the pole.

Maintenance of the aircraft presents a problem in itself. Early in July the air base was still digging itself out from under four-foot-deep snow drifts. The ground crews must carry out the normal aircraft maintenance in temperatures hovering around the freezing mark which is difficult for men accustomed to the balmy climate of southern Ontario.

It is expected that most of this job of photographing the Arctic Islands will be completed before the snow begins to fall again.

When poor weather conditions prevent fly-

ing, a considerable amount of experimenting with magnetic compasses has been carried out by personnel of the Detachment. Barometric Pressure readings have also been observed to determine the heights of various points of land in the area.

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EMPLOYMENT SITUATION: The Minister of Labour, Mr. Gregg, on August 23 issued the following statement on the employment situation in Canada as of August 3:

Canada is experiencing a period of unparalleled prosperity. At present, 97 out of every 100 workers have jobs, with weekly earnings that average the highest on record. Since the first week of April, the number of persons in Canada with jobs has increased by about 300,000. Over the same period, applications for employment on hand at National Employment Service offices have declined by over 278,000.

These facts confirm the views expressed last winter that much of the unemployment which then existed was seasonal and temporary. Several months ago, the late Minister of Labour, Mr. Mitchell, then predicted that there would be a shortage of labour by the middle of this summer. Such is now the case in some industries and areas.

CONSUMER INCOME LEVELS

The employment situation at the beginning of August reflected the continuing high levels of consumer income, the heavy demand for Canadian products in the United States, and the large investment programme, as well as the additional stimulus provided by the defense preparations in both Canada and the United States. In the three weeks ending August 3, the total number of registrations for employment on file with the National Employment Service fell by some 25,000 to 158,100. Although total registrations on hand for Canada as a whole are still some 19,000 above the figure for last year, the increase is only 2,000 in registrations from men. In some areas, the number of men registering with the local employment office is below that of last year. In the Pacific region, the total number of registrations is almost 9,000 below last year's.

Registrations from women, on the other hand, were almost 17,000 higher than at this time last year. In the Ontario region, the increase in total registrations over the comparable week in 1949 is entirely accounted for by the greater number of women registering for work. This increase in the number of women registering is related in part to the somewhat lower level of employment in industries such as textiles and hotels and restaurants which employ large numbers of women workers.

Latest figures indicate that employment in the eight leading industries of Canada is above that of last year. Manufacturing industries such as primary iron and steel, automobiles and electrical apparatus are producing at capacity, and in metal mines, pulp and

paper plants and sawmills, employment is being maintained at close to last year's levels in answer to the heavy demand both domestic and from the United States. In some industries such as primary iron and steel, construction and agriculture, employers are finding some difficulty in obtaining the type of skilled labour required to meet their needs.

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AIR ATTACHÉ TO YUGOSLAVIA: Wing Commander G.A. Folkins, AFC, of Trenton, Ont., and Calgary, Alta., has been appointed assistant Air Attaché to Yugoslavia. It was announced by Air Force Headquarters on August 25.

W/C Folkins 44, was born in Calgary and there received his early education at the Central Collegiate Institute. Prior to joining the Regular Air Force in 1939, he served with the RCAF Auxiliary. He earned his pilot's wings and served as flying instructor at various stations across Canada including Trenton and Patricia Bay.

He attended the RCAF Staff College in Toronto and later the Empire Central Flying School in England. Later he commanded Air Force Stations at Fort Nelson and Whitehorse, Y.T. For the past year he has been at Trenton as Officer Commanding the Central Flying School.

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VOCATIONAL TRAINING REPORT: Publication of the Annual Report on Canadian Vocational Training for the fiscal year 1949 to 1950 was announced on August 24 by the Minister of Labour, Mr. Gregg.

The Report covers the activities of the Training Branch of the Department of Labour which is responsible for administering the various projects authorized by the Vocational Training Co-Ordination Act of 1942. The various projects are carried out by means of agreements between the federal Government and the Provinces. These federal-provincial agreements provide federal financial assistance to the Provinces for the operation and development of vocational training.

The Report shows that the Training Branch administered \$7,321,850 of federal funds during the last fiscal year.

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WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on August 10 amounted to 93,521,444 bushels compared with 97,809,705 on August 3 and 52,892,678 on the corresponding date last year. Farmers in the Prairie Provinces marketed 206,505 bushels of wheat during the week ending August 10, a sharp decline from last year's corresponding total of 2,248,255 bushels. Cumulative total for the 10 days of the new crop year was 942,807 bushels as against 3,589,265 in the like period of the preceding crop year.

JULY INDUSTRIAL DISPUTES: Time loss due to work stoppages arising from industrial disputes during July, 1950, was up from the previous month, but was lower than in July, 1949, according to a monthly summary of strikes and lockouts issued by the Minister of Labour, Mr. Gregg.

Five strikes accounted for more than 62 per cent of the total time lost during July. These were: knitting factory workers at St. Jérôme, P.Q.; can and canning equipment factory workers at Toronto and New Toronto, Ontario; aluminum foundry workers at Etobicoke, Ontario; painters and decorators at Toronto; and plumbing supplies factory workers at London, Ontario.

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GUNS, SEA FURIES FOR NAVY: The Minister of National Defence, Mr. Claxton, announced on August 25 two moves to strengthen Canada's fast-growing peacetime Navy.

The moves were:

1. Placing of a large order for special guns of the latest United States type to be built by Sorel Industries in its gun plant at Sorel, Que.

2. Purchase of additional Sea Fury fighter aircraft from the United Kingdom for the aircraft carrier, H.M.C.S. Magnificent, now enroute to European waters on a training exercise.

Mr. Claxton said the Sea Furies were the latest of their type and "with the Avengers recently acquired from the U.S. and the aircraft we already had, this will provide a full fighting complement for the Magnificent up to 1953, with normal rates of loss."

SPECIAL NAVAL GUNS

The Minister said that the special naval guns to be built at Sorel will be three-inch, and will replace some existing equipment in Royal Canadian Navy ships, as well as to equip some ships now under construction. The guns are high velocity, dual purpose weapons for surface and anti-aircraft operations.

"Arrangements have been under way for some months for licences to manufacture these guns in Canada," said Mr. Claxton. "These have now come through from the U.S. Navy and demonstrates the way our services are co-operating closely with those of the U.S."

The Minister said that some discussion had occurred as to whether Sorel would also make some of these guns for the U.S., and "an order from them would naturally be of immense value to us in increasing output so as to get lower unit costs and making economic a faster rate of production."

The Sorel plant is one of the largest single-gun factories in North America "and one of the few capable of making all the major parts of the modern gun right on the establishment."

During the Second World War, the factory

produced a large number of 25-pounders, many of which are still in service of the Canadian armed forces.

Within the last three or four weeks, Mr. Claxton said, the accelerated programme "has been pressed on and hardly a day passes without my putting forward contract demands for large quantities of new equipment and for modification of ships, aircraft and arms we have already."

In the last week, the Minister said, he had signed orders for aircraft modifications and spares totalling more than \$6,000,000 and "more was coming every day."

* * * *

RCAF SPEEDS TRAINING: Plans to speed up the RCAF's ground-training programme, in connection with expansion of the Service, were announced on August 28 by Air Force Headquarters. Theoretical instruction previously given to newly-enlisted recruits as part of their initial training now is to be made available at a later date, and the initial training period itself will be shortened.

Many ground trades previously have called for a six-month basic training course, and this will be shortened to approximately three months. This reduction will mean an increased output by air force ground training schools, which are expecting larger numbers of recruits as expansion of the RCAF gets underway.

Air Force Headquarters said that the ground-training changes have been under consideration for some time and that their implementation has been speeded by decision to expand the service.

Job analysis surveys showed that in many cases extensive theoretical instruction for ground tradesmen resulted in wastage, according to Air Force Headquarters. In some cases much of the theory was never used, or was not used sufficiently soon after initial training to enable full value to be gained from it.

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WHOLESALE SALES GAIN: Dollar volume of wholesale sales in June was five per cent higher than in the same month last year, and six per cent above the dollar sales for May this year. Cumulative sales for the first six months this year gained one per cent over the corresponding period of 1949.

The Bureau's general unadjusted index of sales (on the base, average for 1935-39=100), stood at 325.8 for June as compared to 321.5 for May and 310.9 for June last year.

Sales increases were recorded in June over a year ago in all provinces, gains ranging from small increases of one per cent for the Maritime Provinces and British Columbia to nine per cent for Quebec. Cumulative sales for the half-year were practically unchanged from 1949 in Quebec and British Columbia, while in the other provinces increases were below two per cent.

JULY DOMESTIC EXPORTS \$253,700,000

INCREASED TRADE WITH U.S.: A summary of foreign trade figures for July released by the Bureau of Statistics shows a rise in Canada's total domestic exports to \$253,700,000 from \$241,300,000 in July, 1949, and an increase in estimated total imports to \$259,800,000 as compared to \$230,900,000. Domestic exports to the United States increased to \$168,200,000 as against \$104,400,000, but declined to the United Kingdom to \$35,200,000 as compared to \$70,600,000. Estimated imports from the United

States amounted to \$172,000,000 as compared to \$160,300,000, and from the United Kingdom to \$32,800,000 as against \$29,400,000.

The import figures are only preliminary and therefore subject to revision. Final and detailed statistics of imports will not be available for about three weeks. Those for exports will be issued in a few days.

The preliminary figures on the month's foreign trade are summarized in the following table.

	<u>July, 1949</u>		<u>July, 1950</u>	
	<u>Domestic</u>	<u>Foreign</u>	<u>Domestic</u>	<u>Foreign</u>
	(Millions of Dollars)			
Exports:-				
United Kingdom	70.6	0.5	35.2	0.1
Other Commonwealth countries ..	30.0	0.1	16.3	0.1
United States	104.4	1.6	168.2	2.5
Other foreign countries	36.3	0.2	34.0	0.3
Total, all countries	241.3	2.4	253.7	3.0
Imports:-				
United Kingdom	29.4		32.8	
Other Commonwealth countries ..	15.2		21.8	
United States	160.3		172.0	
Other foreign countries	26.0		33.2	
Total, all countries	230.9		259.8	

* Estimate only. Subject to revision.

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C.T.C.S. OFFICE IN CEYLON: The Minister of Trade and Commerce, Mr. Howe, announced on August 29 that an office of the Canadian Trade Commissioner Service would be established in Colombo, Ceylon, and that Paul Sykes, formerly Canadian Government Trade Commissioner in Singapore, would be transferred to that post.

The value of Canada's trade with Ceylon in 1949 was \$13,794,000 as compared with a value of \$3,871,000 in 1938. Exports to Ceylon last year were valued at \$2,159,000, whereas Canadian imports from Ceylon were valued at \$11,635,000, consisting principally of tea, rubber and desiccated coconut. Although Ceylon is a small market, it is a net dollar earner. It is reasonable to assume, therefore, that with a trade commissioner located in Colombo, the value of Canada's sales to Ceylon can be increased.

The appointment of a Canadian Trade Commissioner to Ceylon will provide for closer liaison with the Consultative Committee for South and Southeast Asia, an office of which was recently established in Colombo to handle administrative problems involving technical assistance for countries in that area.

EMPLOYMENT AND RAILWAY DISPUTE: The following is the partial text of a statement released on August 29 by the Minister of Labour, Mr. Gregg, on employment conditions in relation to the railway dispute:

"One week after the 125,000 railway workers left their jobs as a result of their dispute with the two major companies, about 20,000 workers in other industries had been reported by local National Employment Service offices as laid off temporarily as a result of shortages of materials or of the growing scarcity of storage facilities for finished goods. In addition, some 47,000 non-striking railway employees were out of work for the duration of the strike.

"Lay-offs as a result of the railway strike have occurred in a large number of industries and they have not been confined to any one region. In the first week of the strike, the mining industry has been the hardest hit with some 11,000 persons laid off to date, most of whom were coal miners. Lay-offs have also been numerous in the flour milling and meat packing industries and in plants producing pulp and paper, iron and steel, chemicals and non-

metallic mineral products. There are other lay-offs pending but many firms have been able to make emergency arrangements to continue production at least for a short while.

"These lay-offs have come at a time when shortages of certain types of workers were becoming increasingly apparent across Canada. On the eve of the strike, at August 17, applications for employment on hand with the National Employment Service from men totalled 91,400. This was only 2.3 per cent of the total number of men in the labour force and 7,000 fewer than at the same time last year...."

* * * *

NATIONAL NOTES

Appointment of Hon. Gaspard Fauteux, former Speaker of the House of Commons, as Lieutenant-Governor of Quebec, to succeed Sir Eugène Fiset, was announced on August 26 by the Prime Minister, Mr. St. Laurent. Simultaneously, the Prime Minister announced that T.W.L. Prowse of Charlottetown has been named Lieutenant-Governor of Prince Edward Island and that C. Laurence Wallace has been appointed Lieutenant-Governor of British Columbia.

Mr. Justice Pierre François Casgrain, Chief Liberal whip in Ottawa for many years and descendant of one of the earliest families to settle in Canada, died in Montreal on August 26 at the age of 64.

Sir Henry Drayton, prominent Conservative and one-time Minister of Finance, died on August 28 in Muskoka, Ontario, at the age of 81.

The Prince Edward Island Legislature has been called to assemble on September 7 to discuss "questions arising out of the present railway strike." The ferry service from Cape Tormentine, N.B., was temporarily tied up in the strike.

Major-General Harry W. Foster, CBE, DSO, 48, general officer commanding Eastern Command with headquarters at Halifax, has been appointed Chief Administrative Officer of the Central European District of the Imperial War Graves Commission at Brussels, Belgium, succeeding Major-General J.H. Roberts, CB, DSO, MC, 58, who is retiring to civil life.

Major Harry F. Cotton, 41, second in command of the 1st Battalion, Princess Patricia's Canadian Light Infantry, has been appointed officer commanding the Ground Training Wing, Canadian Joint Air Training Centre, Rivers, Man.

WEEKLY WAGES AT PEAK: Industrial employment and per capita weekly wages showed further increases at the beginning of July, according to advance figures released by the Bureau of Statistics on August 28. As a result of the gains, the July 1 index of employment in the eight non-agricultural industries reached a new high for that date, and per capita weekly wages rose to an all-time high level.

The advance index number of employment, on the base 1926=100, stood at 201.8 as compared with 196.4 at June 1, and 199.5 on July 1 last year. There was an increase of 4.1 per cent in the general index number of payrolls, and per capita salaries and wages moved up to \$45.20 from \$44.59 at June 1, and \$42.96 at July 1, 1949.

Most industrial divisions for which data are available showed heightened activity as compared with June 1; the improvement was particularly marked in manufacturing, logging and construction. On the whole, the changes generally indicated in the various industrial groups conformed to the seasonal pattern.

There were gains over June 1 in all provinces, advances ranging from two per cent in British Columbia to 8.4 per cent in New Brunswick. The increase in Quebec was 2.2 per cent, and in Ontario 2.4 per cent.

The advance index number of employment in manufacturing was 207.4, as compared with 204.2 a month earlier, and 207.4 at July 1 last year. The latest index number of payrolls in these industries was higher by 3.1 per cent than at June 1, and exceeded by 6.1 per cent the July 1, 1949, figure. The advance figure of per capita weekly earnings of persons employed in larger factories at July 1 stood at \$46.78 as compared with \$46.11 at June 1, and \$44.09 at the beginning of July, 1949.

* * * *

SPECIAL FORCE ENLISTMENTS 8,129: About 2,000 volunteers were taken on strength in the regular Navy, Army and Air Force from July 20 to August 26, inclusive, it was announced on August 29, by the Minister of National Defence, Mr. Claxton. A recruiting campaign for all three services was launched July 20.

Hundreds of others have been found suitable and are "in process" of joining the regular forces. The enlistments are in addition to the 8,129 men signed on for the Canadian Army Special Force up to 5 p.m. on August 28.

During the July 20 to August 26 period 338 men were attested by the Navy, 1,228 by the Army and 426 by the RCAF. Of the RCAF total 195 were aircrew and 231 groundcrew.

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PETAWAWA COMMANDANT: Col. D.K. Todd, DSO, 43, commandant at Camp Borden since March, 1948, has been appointed commandant at Petawawa Military Camp, it was announced on August 30 by Army Headquarters.

MR. PEARSON'S VICTORIA SPEECH: The establishment by the United Nations of a small commission, to work out with representatives of the Republic of Korea, plans for a government of a free and united Korea, once the fighting has ceased, was suggested by the Secretary of State for External Affairs, Mr. Pearson, in an address before the Canadian Club, in Victoria, B.C., on August 21. A partial text of the Minister's speech follows:

"...When the North Korean army made its cynical and aggressive attack on the Republic of Korea, it reflected the determination of Soviet imperialism, using international communism as its spearhead, to extend its sway over Asia, and ultimately over the world. There was nothing new in this communist policy of aggression. The method adopted in Korea, however, in contrast to that hitherto used in Europe, was new, in that an open and armed attack was made. Of course, Mr. Malik is now attempting to convince the United Nations that the North Korean communists were the victims not the aggressors. He is an ingenious person, and, if instructed to do so, could, I am sure, prove conclusively, to his own satisfaction at least, that a fist has been knocked out by a chin!

MEANING OF OPERATION

"Let us not try to deceive ourselves that we can have protection without special effort. That effort involves - or should involve - far more than a contribution to United Nations forces in Korea. Nevertheless, Korea has provided the shock which has awakened us to its necessity. We should be very clear, therefore, as to what this Korean operation means. If we fail here, we may later fail in more important places.

"The communists will try to represent anything the United Nations does now in Korea as assistance to American imperialists against an Asian people struggling to be free. Mr. Malik is already doing his vicious best at Lake Success, through the technique of the big and constantly repeated lie, to create this fiction. With devilish ingenuity and energy worthy of a better cause, this 'big lie' is being drummed into the minds of the Asian millions day and night, and may have some success. The fact is that in Korea, we are not helping the United States. The United States itself has been the first country to insist on this. We are discharging our obligation as a member of the United Nations in defence of peace....

"In order to get the strong and vigorous support of free Asia for United Nations action in Korea, and, indeed, for United Nations action wherever aggression has to be met, we must also continue to emphasize that the United Nations, in its recent decisions, is concerned only in defeating aggression in Korea, and is not concerned, for instance, with the re-

conquest by the National Chinese Government in Formosa of the mainland of China. There is nothing that the U.S.S.R. would like better than to confuse the Korean and the Formosan issues. There is nothing that the democracies should be more careful to avoid than such confusion. If we do not, we play right into the hands of the communist propagandists, make anxious and uneasy those who wish to maintain a strong and united front against aggression in Korea.

"We must also prove by our policy and action in Korea, and elsewhere in Asia, that the western democracies are not on the side of reaction and opposed to progress. We have made a good beginning in this respect by a policy of economic and technical assistance to Asian countries.

A SELF-GOVERNING KOREA

"In contrast to the kind of economic assistance and co-operative help which the democracies can and are planning to give Asian countries is that proffered by the communists. Any help they give will be given for the purpose of making the Asian territory in question a mere satellite of Moscow, to be used for Moscow's profit and at Moscow's will. True, communists make certain immediate social and economic changes when they get control of a country, which may appear to be, and indeed often are, beneficial for the workers and peasants. But those changes merely bait the hook of ultimate slavery. That would certainly be the case in Korea, if the northern communists ever conquered that country. Our intervention in Korea, on the other hand, and we must never cease to underline this, even while the fighting is going on, is solely for the purpose of restoring peace and establishing a free, self-governing unified Korea.

"If we can make that clear we will defeat Russian propaganda and we will get the strong support, not only of the Korean people, but of Asian people generally. For that purpose, I think it would be useful if the United Nations were to establish a small commission to work out with representatives of the Republic of Korea, plans for a government of a free and united Korea, once the fighting has ceased in that unhappy land. I am afraid that more will be required in present circumstances than a return to the status quo. To determine what more should be required is, I think, primarily the responsibility and, indeed, the privilege of Asian members of the United Nations. For that purpose, if a commission of the kind I have suggested were formed, I think it would be wise to have the majority of the commission from Asia. We get, these days, a lot of good advice from Asian leaders on the handling of Asian problems. This would be a good occasion to offer them responsibility for translating this advice into action...."

PARLIAMENT HALTS RAIL STRIKE

"Honourable Members of the Senate:

"Members of the House of Commons:

"You were summoned to meet somewhat earlier than was anticipated because of the disruption of railway transportation facilities resulting from the dispute between the railways and the unions representing the non-operating employees of the railways. A measure to deal with this situation will be introduced at once.

"You will also be asked to give urgent consideration to the measures for increased national security and international co-operation required by the fighting in Korea and the increasingly grave international situation which that struggle reflects. That was the original reason for summoning you for this Special Session."

"Members of the House of Commons:

"You will be asked to approve additional appropriations for national defence and the meeting of our obligations under the United Nations Charter and the North Atlantic Treaty."

"Honourable Members of the Senate:

"Members of the House of Commons:

"May Divine Providence continue to protect this nation, and to guide the Parliament of Canada in all its deliberations."

* * * *

RETAIL FINANCING RISES: Financing of retail instalment sales by sales finance and acceptance companies in Canada was 37 per cent greater in 1949 than in the preceding year, the gain being due for the most part to a rise in the financing of consumers' goods. Balances outstanding at the end of the year rose 42 per cent.

Reports received by the Bureau of Statistics from 104 companies engaged in the purchase or discounting of notes receivable arising from retail instalment sales, show total retail financing of \$284,730,000 in 1949 as compared with \$208,166,000 reported by 94 companies for 1948. Balances outstanding at the end of the year were \$184,063,000 compared with \$130,120,000.

Consumers' goods -- including new and used passenger cars -- were financed to the extent of \$190,574,000 in 1949, accounting for 66.9 per cent of all retail financing. In the preceding year, the total for consumers' goods was \$122,522,000, or 58.9 per cent of the aggregate. Balances outstanding on consumers'

goods at the end of 1949 were \$115,977,000 compared with \$70,451,000.

Used passenger car financing -- largest item in the consumers' goods category -- rose from \$56,572,000 in 1948 to \$83,001,000, the proportion of the overall total advancing from 27.2 to 29.2 per cent. The greatest expansion, however, occurred in new car financing, which increased from \$38,027,000 in 1948 to \$71,602,000, and from 18.3 to 25.1 per cent of the total. All other consumers' goods increased from \$27,923,000 to \$35,971,000, but the percentage of the aggregate value fell from 13.4 to 12.6.

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HONOUR ICELANDIC-CANADIAN POET: Canada will honour the life and achievements of Stephan G. Stephansson, Icelandic Canadian Poet, at a ceremony on September 4, the Minister of Resources and Development, Mr. Winters, has announced.

The commemoration ceremony will take place at Markerville, Alberta, where the poet settled in 1889 and where he lived until his death in 1927. Ranked among the great poets of modern Scandinavian literature, Stephan G. Stephansson endured the hardships of the pioneer. In much of his work he depicted the life and scenery of Western Canada.

A cut stone monument bearing a bronze tablet has been erected by the Department.

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\$300,000,000 LOAN: The Minister of Finance, Mr. Abbott, announced on August 30 that an issue of Government of Canada Deposit Certificates in the amount of \$300,000,000 dated August 30, 1950, due February 28, 1951, bearing interest at the rate of 7/8 of 1% per annum, has been sold to the chartered banks at par. \$100,000,000 of this issue will be used to retire an issue of 3/4% Deposit Certificates which mature August 30.

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RAF AIRCREW TRAINING: A message received by the Canadian Government on August 29 from the Rt. Hon. Arthur Henderson, United Kingdom Secretary of State for Air, expressed his "warm appreciation" of the Canadian Government's action in arranging for RAF aircrew to be trained in Canada by the RCAF. The training scheme will begin with pilot entries from the United Kingdom arriving in groups of 25 each six weeks, commencing January 15, 1951.

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WEEK'S EVENTS IN REVIEW

PARLIAMENT CALLED ON RAIL STRIKE: Parliament has been called to meet on Tuesday, August 29, to deal, primarily, with the strike of 124,000 non-operating railway employees which became effective at six a.m., local time, on August 22, and paralyzed all rail traffic and telegraph services across Canada.

Dr. W.A. Mackintosh, Vice Principal of Queen's University, and one of Canada's leading economists, had been named mediator in the wage-hour dispute, but three days' conferences and mediation effort in Montreal failed to effect agreement.

The Prime Minister, Mr. St. Laurent, announced the date of Parliament's re-opening on August 23, following an announcement on August 22 that Parliament was being called to meet at once "so that the representatives of all the people may act together in discharging their responsibilities to meet the situation." His statement of August 22 read:

"The Government regrets that all efforts to settle, by collective bargaining, the labour dispute between the railways and the unions have failed and that a nation-wide strike has started.

"The suspension of railway and telegraph

services, particularly with the world situation we face, will quickly create a serious emergency and the Government will have to act to protect the vital interests of the whole national community. Parliament which, in view of the international situation, was to meet at an early date is now being called to meet at once so that the representatives of all the people may act together in discharging their responsibilities to meet the situation.

"Meanwhile, I would hope that, whatever disruption and loss the strike may cause, all of us will recognize that the railway employees concerned have not broken any law applicable to their case.

"The record shows that our railway workers are and have always been responsible and public-spirited Canadians and whatever action the Government may have to take will be intended solely to protect the vital interests of the whole Canadian people.

"As soon as the matter of practicable arrangements for the transportation of Members has been attended to, the Proclamation fixing the actual date for the meeting of Parliament will be published probably later today or tomorrow."

CROP ESTIMATES: Canada's 1950 wheat crop is currently forecast at 544,000,000 bushels; it was reported in the August 15 bulletin issued by the Bureau of Statistics.

Oats production this year is estimated at 433,000,000 bushels, 115,000,000 greater than in 1949, the Bureau also reported. The increase over last year is shared by all provinces except Nova Scotia and British Columbia -- the heaviest gains occurring in Saskatchewan and Alberta. While the forecast production for the current year has been exceeded in nine years, it compares favourably with the 1945-49 average of 342,000,000 and the 1940-49 average of 403,000,000 bushels.

Barley is placed at 184,000,000 bushels, more than 50 per cent greater than last year's fairly small outturn. Anticipated production this year exceeds that of 1949 in all provinces except Nova Scotia -- most of the gain taking place in the Prairie Provinces. If realized, the 1950 crop will be the country's fourth largest -- being exceeded only in the three war years 1942-44. Average production was 145,000,000 for 1945-49 and 161,000,000 bushels for 1940-49.

INCREASE IN RYE CROP

The 1950 rye crop, estimated at 15,400,000 bushels, is half as large again as the 1949 production of 10,000,000 bushels -- most of the increase being accounted for in Saskatchewan and Alberta. The total acreage of rye this year is slightly below that of 1949 but the expected average yield per acre is about five bushels greater. A crop of the magnitude indicated would be the eighth largest in the country's history and compares favourably with the 1945-49 and 1940-49 averages, both of which were somewhat below 13,000,000 bushels.

An increase in the acreage seeded to flaxseed, combined with higher anticipated yields per acre, has brought about a considerable increase in the 1950 flax crop which is currently placed at 5,200,000 bushels. The 1949 outturn was only 2,300,000. Most of the increase is in Manitoba and Saskatchewan. The anticipated production, however, is not large historically and is well below the five-year and 10-year averages of 9,300,000 and 9,800,000 bushels, respectively.

Weather conditions in many parts of Canada were unfavourable to the development of hay and clover crops this year and winter-killing took a heavy toll in some eastern provinces. Production is estimated at only 11,500,000 tons, slightly below the light crop of 1949. A crop of the size now indicated would be the lowest since 1934 and is far below the averages of both the preceding five and 10 years, which stood at 15,300,000 tons and 15,200,000 tons, respectively. The alfalfa crop is turning out better, with the first cutting placed at 2,300,000 tons against the 1949 level of 1,900,000.

This year's potato crop is forecast at 54,500,000 hundredweight, 1,000,000 above last year's production.

The following is the first estimate of the production of the principal grain crops in Canada in 1950, in bushels, with the 1949 figures within brackets: fall wheat, 28,768,000 (24,714,000); spring wheat, 514,922,000 (342,692,000); all wheat, 543,690,000 (367,406,000); oats, 433,063,000 (317,916,000); barley, 184,417,000 (120,408,000); fall rye, 10,417,000 (7,191,000); spring rye, 4,950,000 (2,820,000); all rye, 15,367,000 (10,011,000); flaxseed, 5,165,000 (2,284,000).

The average yields per acre, in bushels, are estimated as follows, with the 1949 averages within brackets: fall wheat, 31.0 (30.7); spring wheat, 19.7 (12.8); all wheat, 20.1 (13.3); oats, 37.4 (27.9); barley, 27.8 (20.0); fall rye, 12.5 (8.2); spring rye, 14.6 (9.1); all rye, 13.2 (8.5); flaxseed, 9.4 (7.1).

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TRADE COMMISSIONER IN NEW YORK: A.E. Bryan, Canadian Commercial Counsellor in London, has been posted as Canadian Government Trade Commissioner in New York City, replacing M.T. Stewart, who goes to Mexico City as Commercial Secretary at the Canadian Embassy, the Minister of Trade and Commerce, Mr. Howe, announced on August 16.

These transfers, effective in November, conform with departmental policy of regularly interchanging key personnel of important posts, and follow the recent appointment of D.S. Cole, former Commercial Counsellor in Mexico, as Consul-General in Chicago.

Both officials have had long and varied experience in Canada's foreign trade service. Since his initial appointment as Junior Trade Commissioner in 1916, Mr. Bryan has served in various posts in the Far East and the United Kingdom. He was for six years Inspector of Trade Commissioner offices, during which his duties took him twice round the world. Since 1946 he has been Chief Canadian Trade Commissioner and Commercial Counsellor in London.

During his twenty years with the Department Mr. Stewart has served in the United Kingdom, China, Japan, Panama and Colombia, prior to his appointment as Canadian Consul and Trade Commissioner in New York, in May, 1947.

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FISHERIES DEPT. APPOINTMENTS: The Department of Fisheries announced on August 16 the appointment of two directors to head re-organized services. Dr. Andrew Lyle Pritchard, Director of Fish Culture Development, becomes Director of Conservation and Development Service. Ian S. McArthur, Director of Economics and Statistics and Associate Director of Marketing Services, becomes Director of Market and Economic Service.

ARCTIC WELFARE TEACHER: Announcement by the Department of Resources and Development of the appointment of A.F. Applewhite of Waterford, Ontario, to the Cape Dorset school on Baffin Island, increases the number of Canada's welfare teachers in the Arctic to six as part of a programme designed to improve the social and economic welfare of the Eskimos.

Mr. Applewhite will be assisted by his wife, formerly Margaret Cody of Galt, Ontario, who is a trained nurse and who will be in charge of the new nursing station of the Department of National Health and Welfare at Cape Dorset.

The School at Cape Dorset is being opened this summer and this will be the first time a Canadian welfare teacher has worked among the Eskimos of that region. The Northwest Territories Administration has provided a school house and a furnished house which is being built for the use of the teacher and his family. Other welfare teachers in Eskimo territory are stationed at Fort Chimo, Port Harrison Southampton Island, Coppermine and Tuktoyaktuk.

In addition to teaching elementary subjects best suited to Eskimo requirements, the welfare teacher explains the need for conservation and the most effective methods of practising it; how to make the best use of the land and sea resources at their disposal; how family allowances may be spent to best advantage; hygiene and the care of children; care of hunting and fishing equipment on which their livelihood depends; how to play games and generally improve their living conditions. The teachers are supplied with manual training equipment in order to encourage skills, handicrafts, boat building, the repairing of engines, the tanning of skins, and even making soap from seal oil. One of the important text books used in teaching the Eskimos is the "Book of Wisdom" issued by the Department of Resources and Development. Film strips are also used as visual aids to education.

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1949 TOURIST RECEIPTS \$286,000,000: Expenditures in Canada by travellers from other countries and of Canadians travelling abroad both reached all-time peak levels in 1949, but Canadians boosted their spending in other countries over 1948 far more than did visitors to Canada. As a result, Canada's net credit on travel account with all countries was substantially lower than in the previous year.

Travel spending in Canada by visitors from other countries in 1949 aggregated \$286,000,000 as compared with \$280,000,000 in the preceding year, and the expenditures by Canadians abroad totalled \$192,000,000 as compared with \$135,000,000. Canada's net credit on travel account accordingly fell by \$51,000,000, from \$145,000,000 in 1948 to \$94,000,000.

In travel between Canada and the United States, total receipts were \$268,000,000 -- a new peak total -- up \$1,000,000 over the pre-

vious high of \$267,000,000 in 1948, while debits resulting from Canadian travel in the United States rose from \$113,000,000 to \$164,000,000. The net credit on Canada-United States travel was \$104,000,000, down \$50,000,000 from the preceding year's total of \$154,000,000.

In spite of currency restrictions imposed by many overseas countries, expenditures of non-immigrant overseas travellers in Canada were at a record high of \$18,000,000, up 39 per cent over the preceding year. Canadian travellers spent \$28,000,000 in overseas countries during the year -- the highest since 1927 -- and \$6,000,000 above the preceding year. The net debit on overseas travel account was \$10,000,000, as compared with \$9,000,000 the year before.

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HONOUR N.S. ADMIRALS: Bronze tablets, commemorating two Nova Scotians who rose to flag rank in the Royal Navy, have been erected on the Museum Building at Fort Anne National Historic Park, Annapolis Royal, Nova Scotia, according to an announcement by the Department of Resources and Development.

Both natives of Annapolis Royal, Philipps Cosby and William Wolseley made a noteworthy contribution to Nova Scotia's seafaring tradition.

Philipps Cosby was born in 1727, entered the Royal Navy in 1745 and after serving in American and European waters was Commander in Chief in the Mediterranean from 1786 to 1790. He became an Admiral in 1799 and died at Bath, England, in 1808.

William Wolseley, born in 1756, entered the Royal Navy in 1769, served in the East Indies and the Mediterranean and rose to the Rank of Admiral in 1819. He died in London, England, in 1842.

The tablets, bearing suitable inscriptions, were erected on the recommendation of the Historic Sites and Monuments Board of Canada by the federal Department of Resources and Development.

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NATIONAL PARKS POPULAR: Canada's national parks are setting new visitor records again this year, according to an announcement by the Minister of Resources and Development, Mr. Winters.

Between April 1st and July 31st, 1,045,110 tourists entered the national parks, an increase of 27,593 over the same period last year - the highest figure ever reached.

The national historic parks accounted for much of the increase. Fort Chambly National Historic Park in Quebec Province had 38,369 visitors, an increase of more than 17,000 over the same period last year.

Of the scenic national parks, Waterton Lakes in Alberta recorded a new high of 100,533 visitors, 15,000 over the previous year's

record total for the same period. Alberta's Elk Island Park had 95,458, an increase of 21,811, while Prince Albert National Park in Saskatchewan entertained 46,226 tourists, up 11,415 from last year's figures.

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JULY REVENUES, EXPENDITURES: The Minister of Finance, Mr. Abbott, has released a statement compiled by the Comptroller of the Treasury covering revenues and expenditures of the Government of Canada for the month of July.

The statement shows total revenues of the Government for the month of July amounted to \$227.6 million compared with \$204.8 million for the same period a year ago. For the first four months of the fiscal year revenues totalled \$862 million compared with \$879 million in the same period of 1949.

The Comptroller's statement also shows total expenditures for the month of July of \$188.3 million compared with \$153.7 million for July, 1949. Total expenditures for the first four months of this fiscal year amounted to \$609 million compared with \$624.8 million for the same period last year. Ordinary expenditures for the first four months of this fiscal year amounted to \$596.3 million as compared with \$552.6 million in the same period of 1949, National Defence expenditures rising from \$84 million to \$117.8 million.

Revenues for July exceeded expenditures by \$39.3 million - in July 1949 the excess was \$51 million. The budgetary surplus of the Government for the first four months of the fiscal year amounted to \$252.9 million compared with \$254 million in 1949.

In addition to budgetary expenditures reported above, there were non-budgetary disbursements, that is, loans, advances and investments, totalling \$32.3 million in the first four months of this fiscal year, compared with \$79.4 million in the like period of 1949.

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RECORD BORDER TRAFFIC: Foreign vehicles entered Canada on traveller's vehicle permits in greater volume in July than in any other month on record. The total volume of traffic was four per cent higher in July and the first seven months of this year, increased entries being recorded in all areas except Nova Scotia, Manitoba and the Yukon Territory, both in the month and cumulative period.

The total number of entries in July aggregated 471,823 as compared with 453,045 in the same month last year, bringing the cumulative total for the seven months ending July to 1,064,191 as against 1,026,121 in the similar period of 1949.

Entries into Ontario totalled 296,761 in July compared with 285,494 in July last year, Quebec 80,418 compared with 76,193, British Columbia 42,809 compared with 42,592, New Brunswick 29,288 compared with 26,551, and

Alberta 11,422 compared with 10,977. Manitoba's total was 6,271 (7,073 in July, 1949), Saskatchewan 3,848 (3,178), Nova Scotia 674 (676), Yukon Territory 278 (311), and Newfoundland 54 (-).

* * * *

REFINED PETROLEUM OUTPUT UP: Production of refined petroleum products by Canadian refineries increased 22 per cent in March over March last year, while inventories at refineries on April 1 were 15 per cent below those of the same date in 1949 and also down from March 1 this year.

March output of refined products amounted to 6,989,009 barrels, an increase of 1,269,622 barrels over the production of 5,719,387 barrels in March last year. Production during the first three months this year aggregated 21,014,884 as compared to 17,846,960 barrels in the first quarter of 1949, an increase of more than 17 per cent.

Output of motor gasoline was up in the month to 3,112,215 from 2,710,634 barrels a year earlier, and in the three months to 9,392,987 from 8,271,382 barrels. Production of light fuel oil was sharply higher both in the month and three months, with the three-month output at 2,592,502 barrels more than 1,000,000 barrels above 1949. There were also substantial increases in both periods in diesel fuel and heavy fuel oil, while naphtha specialties, aviation gasoline, asphalt and lubricating oil were lower.

Stocks of refined products at refineries at the beginning of April totalled 12,140,811 barrels as compared with 12,948,642 at March 1 and 14,302,331 at April 1 last year.

Crude oil received by the refineries during March increased moderately to 7,118,606 barrels compared to 7,086,117 barrels in March, 1949, and in the three months totalled 20,199,702 as against 18,910,218 barrels. Receipts of domestic crude in March increased to 2,262,114 from 1,754,057 barrels last year, while imported crude decreased to 4,926,492 from 5,332,060 barrels. In the three months domestic crude receipts rose nearly 40 per cent to 6,064,313 from 4,336,371 barrels in the 1949 period, and imported crude fell off to 14,134,715 from 14,573,847 barrels.

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HOURLY EARNINGS AT PEAK: Hourly earnings of hourly-rated wage-earners reported by leading Canadian manufacturing establishments advanced to a new peak of 103.5 cents at June 1 from the revised May 1 figure of 102.5 cents, and 99.1 cents at June 1 last year. Due to the Victoria and Ascension day holidays, average weekly earnings of these wage-earners moved down at June 1 to \$43.37 from \$43.67 at May 1, but rose from last year's June 1 average of \$40.43. The hours of work in the week of June 1 averaged 41.9 compared with 42.6 at May 1, and 40.8 a year earlier.

WHEAT CARRYOVER 113,200,000 BUSHELS

LARGEST IN FOUR YEARS: Total Stocks of Canadian wheat in all North American positions on July 31, 1950, were 113,200,000 bushels, some 11,000,000 greater than on the same date a year ago. All stocks at the close of the current crop year were held in Canadian positions as compared with less than 70,000 bushels held in United States positions at the close of the previous crop year. Except for 12,400,000 bushels held on farms, all of the July 31, 1950, stocks were held in commercial positions.

The current wheat carryover is the largest in the past four years but is considerably below the average carryover of either the preceding 10 or 20 years. The average carryover of wheat during the period 1940-49 was 132,700,000 and for 1930-49 was 204,000,000 bushels. The largest recorded carryover was on July 31, 1943, when 594,600,000 bushels were held in all positions.

Rye stocks at 6,600,000 (including over 1,000,000 held in United States positions) were down over 5,000,000 bushels from the July 31, 1949, carryover of 11,900,000.

Total stocks of Canadian oats on July 31 were 44,300,000 bushels, well below last year's level of 60,500,000. Barley stocks at 20,400,000 were also down from the July 31, 1949, figure of 29,700,000 bushels. The carryover of flaxseed stood at 4,500,000 bushels, less than half of last year's figure of 10,700,000 bushels.

Total farm stocks of wheat at 12,400,000 bushels accounted for only 11 per cent of the July 31 wheat stocks this year. At the close of the previous crop year farm-held wheat stocks were 43,400,000 or 42 per cent of the carryover. Farm stocks of oats at 33,600,000 bushels were nearly 15,000,000 below the 1949 level while the barley carryover on farms at 11,300,000 was down more than 7,000,000 from a year ago. Farm-held stocks of flaxseed at July 31 this year amounted to only 107,000 bushels, while 1949 stocks stood at 191,000. Most of the farm-held grain is located in western Canada. The following table summarizes the farm-stocks position in the three Prairie Provinces.

	Wheat	Oats	Barley <i>Bushe ls</i>	Rye	Flaxseed
Manitoba	1,000,000	4,000,000	2,000,000	100,000	30,000
Saskatchewan	6,000,000	12,000,000	3,000,000	600,000	50,000
Alberta	4,000,000	10,000,000	6,000,000	400,000	25,000
Total	11,000,000	26,000,000	11,000,000	1,100,000	105,000

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LABOUR INCOME AGAIN RISES: Estimated total of salaries and wages and supplementary labour income continued during May, the upward movement shown since the beginning of this year. The increase is mainly attributable to the rise in the level of employment.

The month's total amounted to \$659,000,000, showing an increase of \$17,000,000 or 2.7 per cent over the April figure of \$642,000,000, and was \$37,000,000 or six per cent above the May, 1949 estimate of \$622,000,000. During the first five months of this year, estimated labour income rose to \$3,179,000,000 from \$3,050,000,000 in the similar period of 1949, or by four per cent.

Labour income in manufacturing advanced to \$221,000,000 from \$209,000,000 in May last year; in utilities, transportation, communication, storage and trade to \$175,000,000 from \$166,000,000; in finance and services to \$148,000,000 from \$138,000,000; and in construction to \$48,000,000 from \$42,000,000.

The total for agriculture, logging, fishing, trapping and mining declined slightly in May, amounting to \$45,000,000 as compared with \$46,000,000 a year earlier. Supplementary labour income in the month totalled \$22,000,000 as against \$20,000,000.

DEFENCE OF CANADA-U.S. REGION: The Regional Planning Committee of the Canada-United States Regional Planning Group of the North Atlantic Treaty Organization has concluded its fourth meeting, it was announced simultaneously on August 17 in Ottawa and Washington. This Committee is composed of one representative of each member of the Chiefs of Staff Committee, Canada-United States Regional Planning Group. The Chiefs of Staff Committee is composed of the army, navy and air force members of the Canadian and United States Chiefs of Staff.

In accordance with the principles of the North Atlantic Treaty and in the light of guidance furnished by the Defence Committee, the Military Committee and the Standing Group of the N.A.T.O., the Regional Planning Committee has undertaken revision of the integrated defence plan for the defence of Canada-United States region. This revision will be considered by the Chiefs of Staff Committee, Canada-United States Regional Planning Group. Progress in defence planning continues. The defence plan for Canada and the United States is being coordinated, as appropriate, with other regional planning groups of the North Atlantic Treaty.

PEACETIME RECORD FOR EXPORTS

IMPORTS AT NEW PEAK: Canada's merchandise imports reached a record all-time high value and domestic exports were at a peacetime peak in the first six months of this year, imports climbing above the aggregate for domestic and foreign exports. The result was a slight deficit in the half-year commodity trade account as compared with a small surplus in the same period of 1949.

But greater changes occurred in the direction of trade during this half year as the customary disequilibrium which Canada has with each of the United Kingdom and the United States was sharply reduced.

In the six-month period, imports from the United States showed a small decline from a year earlier, but domestic exports rose sharply, and the customary deficit in trade with that country was sharply reduced. On the other hand, half-year imports from the United Kingdom moved higher, while exports were cut sharply and the favourable trade balance with that country fell steeply.

IMPORTS FROM U.K. AT PEAK

In June the values of imports and exports were both maintained at high levels. Imports from and exports to the United States rose in the month, while imports from the United Kingdom reached an all-time peak figure and domestic exports moved to a lower level.

Imports from all countries in the half-year rose to \$1,453,100,000 from \$1,409,400,000 in the similar period of 1949, domestic exports to \$1,430,600,000 from \$1,424,600,000, and foreign exports to \$17,500,000 from \$13,800,000. The resulting deficit in total trade was \$4,900,000 as against a credit of \$29,100,000 in the like period of 1949.

In June, imports from all sources of supply were valued at \$282,500,000 as against \$250,500,000 in June last year, domestic exports totalled \$289,200,000 compared with \$255,100,000, and foreign exports amounted to \$2,600,000 compared with \$2,300,000. The overall credit balance with all countries was \$9,300,000 as against \$6,900,000 a year ago.

Half-year imports from the United States were moderately lower at \$1,004,500,000 as against \$1,008,800,000 in the corresponding period of 1949, accounting for 69 per cent of total imports as against 71 per cent last year, and in June had risen in value to \$188,300,000

from \$176,900,000. Six-month exports rose to \$904,900,000 from \$690,900,000, amounting to 63 per cent of all exports -- an unprecedented proportion -- compared to 48.5 per cent in 1949, and in June advanced to \$177,700,000 from \$143,900,000. The trade deficit for the half year was \$87,600,000, sharply below last year's total of \$308,300,000, and in the month was down to \$8,400,000 compared with \$61,300,000.

Imports from the United Kingdom advanced to \$187,200,000 in the half-year from \$163,200,000, and in June to \$37,100,000 from \$27,000,000. Domestic exports for the half year fell to \$235,900,000 from \$335,600,000, and in June to \$52,500,000 from \$60,700,000. The favourable balance in the six-month period fell to \$50,000,000 from \$174,200,000, and in June was down to \$15,500,000 from \$34,100,000.

Merchandise imports from Commonwealth countries other than the United Kingdom rose in the six months to \$97,100,000 from \$91,300,000 in the similar period of 1949, and were also higher in June at \$23,400,000 compared with \$19,200,000. Half-year purchases from foreign countries other than the United States moved up from \$145,000,000 to \$164,300,000, and in June to \$33,600,000 from \$27,500,000.

LATIN AMERICAN COUNTRIES

Imports from Latin American countries as a group were slightly lower in June at \$15,205,000 against \$15,999,000 a year earlier, but were up in the half year at \$90,054,000 against \$86,450,000. Purchases were higher in both periods from Brazil and Mexico, but lower from Venezuela.

Imports from Europe were valued at \$8,116,000 in June, as against \$9,030,000 a year earlier, and in the half year at \$41,588,000 against \$44,703,000. Purchases from Belgium and Luxembourg, France and Italy were lower both in June and the six-month period, but higher from Switzerland.

Purchases from other foreign countries were up to \$10,154,000 in June from \$2,342,000 a year ago, and, in the half year were more than doubled at \$31,746,000 compared with \$13,022,000, due mainly to increased buying of petroleum from Arabia and other purchases from Japan, Netherlands Antilles, Philippine Islands, Siam, and China.

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SEEK DENTAL NURSES: The Royal Canadian Dental Corps issued a call this week for female dental assistants to help cope with the increasing demand for dental treatment from the expanding armed forces. The new dental nurses, National Defence Headquarters said, will not be enlisted in the corps as are nursing sisters in the Army Medical Corps. They will retain their civilian status and will in fact be em-

ployed through the Civil Service Commission. During the Second World War the Dental Corps employed a large number of female assistants in the WRCNS, CWAC, RCAF (WD), but due to the disbandment of these services none now remain. With the extra work coming from the Army's Special Force and from the growing regular forces, the need for female dental assistants has again arisen.

PLACEMENT OF UNIVERSITY GRADUATES

TRIBUTE TO EMPLOYERS: In reviewing a report of the Executive and Professional Division of the National Employment Service on the placement of university graduates and undergraduates in 1950, the Minister of Labour, Mr. Gregg, paid tribute to the employers of Canada for their cooperation in seeing that the large class of 1950 was properly absorbed in gainful occupations.

The Minister stated that of the 17,000 graduates this year only 925 were still registered as unplaced with the National Employment Service on August 1. Many of these were not unemployed, but had taken temporary jobs while awaiting openings that would offer a career in their chosen professions, he explained.

"When one considers that the graduating class of 17,000 was one of the largest on record due to veteran enrolment, it is a tribute to the employers of Canada that only 925 remained to be suitably placed", declared Mr. Gregg.

The report showed that, of the total of 17,000 in the graduating class, about 8,500 were in the following categories: those going on to post-graduate work or colleges of education; those entering professions such as medicine, dentistry, law, theology, and the Armed Services; and those co-eds who were not seeking employment. Of the remaining 8,500, about 2,500 had employment arranged before graduation, or had found a job by their own efforts, while the remaining 6,000 had registered for jobs with the National Employment Service.

In addition to the graduating class, about 12,000 undergraduates had registered for sum-

mer employment with the National Employment Service. By August 1 practically all who wanted work had been employed, although some were not doing the work they most desired.

The Minister pointed out that the worsening of employment conditions which occurred during last autumn and winter had occasioned some fears that difficulty might arise in finding employment for such a large class this spring. The large class of 1949 had been absorbed because there had been a backlog of opportunities still carried over from the immediate postwar years. This backlog had almost entirely been taken care of before the 1950 class came on the employment market. "However", he said, "I am happy to report that this year's campaign has been highly successful, and has reached the expectations of all concerned."

This year's report showed that the successful outcome of the co-operation between employers and placement officials was the result of careful planning. As in previous years a detailed campaign was conducted beginning with a letter to a selected list of 9,000 firms who were deemed most likely to be interested in hiring university students. These letters were mailed last December. In addition to these letters from the Minister all employment officials were asked to bring the subject to the attention of employers and to urge that they submit their requirements as early as possible, and later a publicity campaign through the press was conducted. From all these efforts, and the co-operation of employers, information was received concerning 5,000 openings for graduates and nearly 14,000 for undergraduates.

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BANFF SCHOOL OF FINE ARTS: Nearly 500 students, some of them from places as far away as India, Hungary and England, attended this year's summer classes at the Banff School of Fine Arts, in Banff National Park, Alberta. This was an increase of more than 30 over the previous year. They included twenty scholarship winners whose tuition fees were paid by the School. Some twenty courses covering a wide range of artistic opportunities were offered - painting, vocal and instrumental music, drama, ballet, play and short story writing, handicrafts, oral French, and photography.

The School, which is sponsored by the University of Alberta, has just completed its eighteenth annual summer session. It is gradually acquiring its own facilities for accommodating students. Three attractive modern chalets and a bungalow installation have been completed. In addition a number of bungalow cabins operated by concessionaires in the park have been engaged for the use of students during the summer course. Other students make their own arrangements for accommodation in private homes or in bungalow cabins in Banff and vicinity.

FILM ON OLDER WORKER PROBLEM: The Minister of Labour, Mr. Gregg, announced on August 21 that a film on the problems of employment for the older worker entitled "Date of Birth" had been released this week for showings at meetings of Service Clubs, Boards of Trade and Chambers of Commerce, Trade Unions, and conventions, and to representative employer and employee groups in all major communities.

"Date of Birth" was filmed for the Department of Labour by the National Film Board and will be circulated by local office managers of the National Employment Service in co-operation with the field officers of the Film Board.

The problem of the older worker and employment is now generally recognized in Canada as a national problem not to be resolved in the near future -- in some ways likely to become more difficult of solution as the consistent advance of medical science increases longevity, explained Mr. Gregg.

During the postwar years the federal Department of Labour, in co-operation with the National Employment Service and the Department of Veterans Affairs, has attempted an educa-

tional campaign designed to bring the facts and effects of the problem before the greatest number of responsible citizens. As no immediate solution is available, the important conclusion arrived at from the studies made by the Department and others is that as many as possible older workers must continue in gainful employment as long as possible, the Minister pointed out.

The film "Date of Birth" was designed to bring before employers and responsible citizens the true facts concerning older workers -- their desirable qualities as workers, and the economic necessity of keeping employed this important segment of our population which numbers about one-third of our entire working force, said Mr. Gregg.

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R.N. SUB. ARRIVING SEPTEMBER 1: H.M. Submarine Andrew, a 1620-ton vessel of the Royal Navy, will arrive in Halifax on September 1 to provide anti-submarine training for ships and aircraft of the Royal Canadian Navy, the Minister of National Defence, Mr. Claxton announced on August 22.

The Andrew, under the command of Lieut. R.G. Higgins, R.N., will be based at Halifax from September 1 to December 1, and will carry out a series of exercises with ships of the R.C.N.'s Atlantic Command and aircraft of the Navy's 826 Squadron. The latter will be flying the recently-acquired Avenger anti-submarine aircraft and will operate from the R.C.N. Air Station at Dartmouth, N.S.

The opportunity will be taken to provide specialist personnel of the Torpedo Anti-submarine Branch of the R.C.N. with practical experience in submarine detection and in carrying out attacks on undersea craft.

An "A" Class submarine, the Andrew is one of the newer and larger types in operation with the Royal Navy and is fitted with "snort" apparatus which permits the vessel to operate submerged for long periods.

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CREDIT UNIONS' CONFERENCE: An international conference on co-operative savings and credit is being held in Lévis, Que., August 24 - 27 under auspices of La Fédération des Caisses Populaire Desjardins. It marks the founding of the first credit union in North America fifty years ago and also honours the memory of the founder, Mr. A. Desjardins.

Canadian credit unions, which are in reality savings and credit lending institutions, hit a new high in 1949, and loaned \$148 million to members during the year. According to preliminary figures prepared by J.E. O'Meara of the Department of Agriculture, Ottawa, there were 2,819 credit unions chartered in Canada in 1949, with 940,427 members and total assets of \$282 million. Total loans since the inception of credit unions amount to \$705 million.

APPOINTMENTS OF MILITARY ATTACHÉS: The Department of National Defence announced on August 21 the appointment of military attachés to Russia and to Poland.

Major Bernard J. Guimond, 29, of Quebec City, has been appointed Canadian military attaché to Russia and promoted to the acting rank of lieutenant-colonel, Army Headquarters announced. He will sail September 1 from Quebec City for Moscow.

At the same time the RCAF announced the appointment of a new air attaché to Moscow, Wing Commander William M. Stephens, of Ottawa and Kingston, Ont., who has been doing staff work with the Canadian Joint Staff in Washington since 1948. He replaces Group Captain L.H. Randall who is returning to Canada.

Lt.-Col. H.A. Phillips, OBE, 39, of Kingston, has been appointed Canadian military attaché to Poland and will leave for Warsaw at the beginning of September. He will have the local rank of colonel while carrying out his duties in the Polish capital. Lt.-Col. E.W. Cutbill, DSO, ED, present Canadian military attaché to Poland is returning to Canada.

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CROP OUTLOOK STILL GOOD: Below-normal temperatures in all three Prairie Provinces have retarded maturity of grain crops, but harvesting will be well under way in many areas next week and should be general by the end of the month. While frost has been reported in many areas, it is not yet possible to assess the extent of the damage. Ample moisture is available to finish out the crop in nearly all districts. Given warmer weather and barring serious losses from frost and lodging, the outlook is still excellent for a large crop of all grains.

Ripening has been delayed in Manitoba by cool weather except at a few points where light soil prevails or where seeding was early. Very little harvesting has been done to date but operations should be under way next week. The outlook for wheat and coarse grains remains good, although lodging has occurred in some areas, particularly in the barley crop.

Cool weather in Saskatchewan continued to delay crop development during the past two weeks and harvesting is not expected to be general before the end of the month. Temperatures during the week were well below normal in all districts and some damage to crops and gardens from frost was reported at many points throughout the Province.

In southern and eastern sections of Alberta swathing is general. Cutting has made little progress elsewhere but should be general in most areas by this week-end as crops are now ripening rapidly. Slight frost damage occurred in central and eastern sections. Heavier damage occurred in northern districts but the effect upon yields cannot yet be assessed. Both snow and frost have struck the crops in the Peace River district and light to severe hail storms have occurred in central parts of the Province.

NON-RESIDENT INVESTMENTS IN CANADA RISE

ESTIMATED AT \$7,977 MILLION: Both non-resident investments in Canada and Canadian direct investments in other countries increased in 1949 over 1948 to reach new high levels in Canadian dollar values.

Total value of non-resident investments in Canada, including Newfoundland, at the end of 1949 is estimated by the Bureau of Statistics at \$7,977 million (Canadian). This compares with \$7,513 million in 1948, not including Newfoundland, and \$7,092 million in 1945 and \$6,913 million in 1939, the first and last years of the second World War.

While the total foreign capital invested in Canada has grown substantially during the last decade, it is still not greatly different from the aggregate value of \$7,614 million in 1939, the previous peak for this group of investments, states the Bureau's report. Foreign investments now represent a lower ratio of the ownership of all investments in Canada than formerly, because of the great development during the war and postwar period which has been largely financed in Canada.

In 1949 the external holdings of Canadian bonds only represented about 14 per cent of the total Canadian funded debt compared with about one-third in 1939. The total bonded debt of Canadian governments and corporations has grown from approximately \$10,000 million in 1939 to an estimated \$21,729 million in 1949, but the total holdings of Canadian bonds outside Canada declined from \$3,508 million in 1939 to about \$3,041 million in 1949. The great rise during the war in the funded debt of the Canadian Government, which was largely financed in Canada, has been the principal factor in the growth in total funded debt and reduction in the proportion of non-resident ownership, while the drop in the actual amount held outside Canada is due to a large extent to wartime repatriations of Canadian bonds

from the United Kingdom.

The recent growth in total non-resident investments in Canada has occurred principally in United States capital. All United States investments rose to an estimated \$5,890 million in 1949 from \$5,588 million in 1948, \$4,990 million in 1945, and \$4,151 million in 1939. Holdings in the United Kingdom also increased in 1949 to an estimated \$1,752 million from \$1,593 in 1948, but at last year's figure were only slightly above the value of \$1,750 million for 1945. In 1939 they amounted to \$2,476 million and in 1930 were above the 1949 total at \$2,766 million. Investments held in other countries also advanced in 1949 to \$335 million from \$332 million the previous year, but were down from \$352 million in 1945.

Of the total United States investments in Canada, direct investments in companies controlled in the United States accounted for \$2,829 million in 1948, the latest year for which these figures are available, as compared to \$2,548 million in 1947, \$2,304 million in 1945, and \$1,881 million in 1939. Besides substantial inflows of capital, states the Bureau, there was a large accumulation of earnings by Canadian branches and subsidiaries in 1948 which were not remitted to parent companies but were reinvested in the Canadian concerns. Largest part of the year's rise was in the manufacturing field, this group of investments increasing \$260 million to a total value of \$1,753 million.

Canadian direct investments outside Canada amounted to an estimated \$893 million in 1949 as compared to \$720 million in 1945 and \$671 million in 1939. Of the 1949 total, \$690 million was in the United States, chiefly in manufacturing and railways. Portfolio holdings of foreign securities in Canada are placed at \$638 million for 1949, up from \$621 million in 1945 but down from \$719 million in 1939.

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CANADIANS IN LANDING OPERATIONS: Canadian seamen from the destroyer, H.M.C.S. Athabaskan, have made two landings on islands off the enemy-held coast of South Korea, Naval Headquarters announced on August 23. No casualties were reported at that date.

In the first operation, a landing party from the Athabaskan supported South Korean naval personnel in the capture of an island. The landing force went ashore unopposed and occupied a village. The Athabaskan seamen later were withdrawn.

In the second operation Athabaskan seamen landed and demolished an enemy installation.

Commanded by Cdr. R.P. Welland, D.S.C., R.C.N., of McCreary, Manitoba, and Victoria, the Athabaskan has taken part in two other actions recently. On both occasions the power-

ful Tribal class destroyer bombarded targets on the enemy-occupied West Coast of South Korea.

H.M.C.S. Sioux, under the command of Cdr. Paul D. Taylor, R.C.N., of Victoria, also has carried out a bombardment assignment recently. The guns of the Fleet V class destroyer blasted enemy installations on an island off the South Korean coast.

H.M.C.S. Cayuga, commanded by Captain J.V. Brock, D.S.C., R.C.N., of Winnipeg and Victoria, senior ship of the three Royal Canadian Navy destroyers in the Korean theatre, was the first Canadian ship to see action. With a Royal Navy frigate the Cayuga penetrated an enemy-held port on the South Korean coast and destroyed or heavily damaged ships, rail terminals and harbor installations.

BUSINESS

Operating revenues of Canadian railways reached a new record high for May at \$80,362,316, showing an increase of 11 per cent or \$8,147,346 over the same month last year, while operating expenses recorded a minor increase of \$1,109,156 to \$70,729,648. Operating income which had been \$84,792 in May, 1949, rose sharply to \$7,123,646, bringing the cumulative total for the first five months of this year to \$10,143,612 against a debit of \$1,494,150 in the same period of 1949.

Carloadings on Canadian railways for the week ended August 12 amounted to 75,433 cars compared with 74,207 cars in the same week last year, up 1.7 per cent or 1,226 cars.

Revenues of Canadian air carriers continued to rise in March, total for the month reaching \$3,202,213 -- a new high for the month -- as compared with \$2,636,426 a year earlier, a gain of 22 per cent. Revenues of all services improved, passenger receipts rising to \$1,937,336 from \$1,518,620; mail to \$608,588 from \$607,486; and freight and excess baggage to \$190,244 from \$161,544.

Production of coal in July amounted to 1,112,000 tons, two per cent below the July, 1949 output of 1,131,342 tons, according to preliminary figures. Cumulative total for the first seven months of this year was 10,700,609 tons, about four per cent above the 10,258,365 tons produced in the similar period of 1949.

Revenue of Canadian fur farms fell off sharply in 1948 from 1947, amounting to \$8,800,000 as against \$13,100,000, a drop of 33 per cent. In 1946 revenue totalled \$9,300,000. The number of fur farms and the capital value also declined.

SHOW NEW JET FIGHTER: Canada's own new jet fighter, the Avro Canuck, will be flown before delegates to the 4th annual convention of the United States Air Force Association in Boston August 26 and 27, it was announced on August 23 by Air Force Headquarters. An aerobatic team of five Vampire jet fighters from Air Defence Group, St. Hubert, P.Q., will also make an appearance at the convention.

NATIONAL NOTES

Governor Thomas E. Dewey of New York State, was guest of honour at the Central Canada Exhibition, Ottawa, on August 23, International Day, and spoke on, "The Perils Facing Our Countries."

All 10 provinces are being represented at the federal-provincial Conference on Civil Defence, the Minister of National Defence, Mr. Claxton, has announced. As a number of provinces are being represented by the same Ministers as those who attended the conference of Attorneys-General, begun on Monday, August 21, the Civil Defence Conference followed immediately the adjournment of the conference of Attorneys-General.

The Minister of National Defence, Mr. Claxton, said in a radio broadcast on August 22 that Canada's Special Force had filled its own ranks at that date and recruited almost all the men needed for reinforcements for a year. He mentioned no figure.

A 10-inch ritual funeral perfume vase, a product of the fifth century, B.C., unearthed from the ancient tombs of Greece, has been presented to Prime Minister St. Laurent as a token of Canada's good relations with that country.

Appointment of A.H. Gibson, K.C. as Commissioner of Yukon Territory is announced by the Minister of Resources and Development, Mr. Winters.

Members of both the Active and the Reserve Forces of the Canadian Army soon will be wearing neat new shirts of an olive drab colour rather than the regular kahki ones now being issued, Army clothing authorities have announced.

NEED MINING ENGINEERS: Canada may experience a shortage of mining engineers within a few years if the downward trend in enrolment at Canadian universities for mining engineering continues, the Minister of Labour, Mr. Gregg, stated on August 23.



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WEEK'S EVENTS IN REVIEW

CANADIAN DELEGATION TO UN GENERAL ASSEMBLY:

The Secretary of State for External Affairs, Mr. Pearson, announced on August 16 the composition of the Canadian Delegation to the Fifth Regular Session of the General Assembly of the United Nations. The Assembly is scheduled to open in New York on September 19.

The Delegation will be composed as follows:

Representatives: The Honourable L.B. Pearson, M.P., Secretary of State for External Affairs, Chairman of the Delegation; The Honourable Hugues Lapointe, M.P., Minister of Veterans Affairs, Vice-Chairman of the Delegation; The Honourable J.G. Turgeon; Jean Lesage, M.P.; John Dickey, M.P.

Alternate Representatives: A.D.P. Heeney, Under-Secretary of State for External Affairs; Leon Mayrand, Assistant Under-Secretary of State for External Affairs; R.G. Riddell, Permanent Representative of Canada to the United Nations; C. Fraser Elliott, Canadian Ambassador to Chile; Mrs. D.B. Sinclair, Department of National Health and Welfare.

Parliamentary Advisers: Gordon Graydon, M.P.; another member of the official Parliamentary Opposition (to be designated later); M.J. Coldwell, M.P.; Solon Low, M.P.

Advisers: Appropriate advisers from the Department of External Affairs and other Departments of Government will be appointed to the Delegation at such time and for such periods as their services may be required.

SPECIAL FORCE COMMANDERS: Commanding officers of units in the Canadian Army Special Force and others who will hold key appointments in the new force under Brig. John Rockingham, CBE, DSO, were named on August 14 by Army Headquarters. Officers of both the Active and Reserve Forces have been selected. They are:

Lt.-Col. R.A. Keane, DSO, 36, of Fort William and Ottawa, to be officer commanding the 2nd Battalion, The Royal Canadian Regiment. Lt.-Col. Keane, an officer of the Active Force, is now on the general staff in the Directorate of Military Training at Army Headquarters. He commanded the Lake Superior Regiment in Northwest Europe during the Second World War.

Lt.-Col. J.R. Stone, DSO, MC, 42, of Salmon Arm, B.C., to be officer commanding the 2nd Battalion, Princess Patricia's Canadian Light Infantry. Lt.-Col. Stone, who rose from the rank of private to eventually command his unit, The Loyal Edmonton Regiment, in the Second World War, is now commanding officer of the Rocky Mountain Rangers in the Reserve Force.

Lt.-Col. J.A. Dextraze, DSO, 31, of Montreal, to be officer commanding the 2nd Battalion, Royal 22nd Regiment. Now in the Supplementary Reserve and in the lumbering business near Montreal, Lt.-Col. Dextraze also rose from the ranks to command Les Fusiliers Mont Royal during the closing months of the war in Europe.

CROP OUTLOOK GENERALLY FAVOURABLE

PRAIRIE HARVESTING LATE: Generally good to excellent crop conditions prevail in the Prairie Provinces. Harvesting will be one to three weeks later than usual and frost damage is still a factor to be considered.

Conditions in Manitoba continue to be favourable in spite of the lateness of the season and the occurrence of some lodging. Cutting of fall rye has begun but the spring grain harvest will not be general until the end of August, the Bureau of Statistics reported on August 9.

Moisture supplies are considered to be adequate to mature crops in most areas of Saskatchewan. Yield prospects are good to excellent in eastern and northern districts and, while there is considerable variability over central and west-central districts, an average yield is expected for these areas as a whole. Fall rye yields in the southwest are light and spring grains in this area are expected to yield slightly below normal. Only local hail damage has occurred and insect damage is light, although there is still a threat of further grasshopper damage over central and western districts.

Crop prospects in Alberta have been maintained or improved during the past two weeks and a close-to-average grain crop may be expected. Conditions are quite variable throughout the Province, ranging from patchy in north-central districts to excellent in east-central districts. While the wheat crop is all headed, harvesting is expected to be one to three weeks late. Moisture conditions are now generally satisfactory but rain will be needed for filling in some districts. Considerable

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AUTO SHIPMENTS SET RECORD: Factory shipments of Canadian-made motor vehicles, which have been climbing at a rapid rate in recent months, showed a further sharp rise in June to reach a total of 41,382 -- second highest monthly figure on record. This raised the aggregate for the first six months of the year to 191,765 -- the largest half-year total in the history of the industry.

This year's June shipments compare with 35,281 units in May, 30,096 in June last year, and the record monthly total of 41,901 units in April, 1929. In the first half of last year, 140,115 units were shipped, and in 1948 the total was 129,182 units. The previous peak for the half year was 188,361 units in 1929, when shipments were, to a large extent, concentrated in the first six months of the year.

Most of the gain in June and the half-year over the corresponding 1949 periods occurred in shipments of passenger cars, the month's total advancing from 20,008 to 29,733, and the half-year's from 87,470 to 138,564. Shipments

local hail damage has occurred, being especially severe in the Peace River Block.

Despite late seeding, the outlook for grain production in Ontario has improved steadily and above-average yields are anticipated, provided good harvesting weather prevails during the next three weeks. Heavy rains during the latter part of July and the first three days of August delayed the harvesting of wheat and the completion of haying. There are many excellent fields of winter wheat in central Ontario and harvesting of this crop is further advanced than in a number of counties in south-western Ontario, where wet weather has caused considerable sprouting. Wet weather has also resulted in the deterioration of the quality of a considerable part of the hay crop. On the other hand the aftermath of hay fields and pastures has benefited from the ample moisture supplies in nearly all parts of the Province.

Cool weather in Quebec has retarded the growth of corn and other warm weather crops. Frequent rains have delayed the harvesting of the hay crop in all areas except around Montreal, where it has been completed.

Favourable weather has promoted good growth of grains and hoed crops in the Maritimes and average crops of wheat, oats and barley are expected.

The hot, dry spell in British Columbia was relieved somewhat by rain during the latter part of July. Harvesting of grain is now in full swing in the southern portions of the Province and fall-sown crops are yielding fair to good returns.

of commercial vehicles rose in June from 10,088 to 11,650, and in the six months from 52,645 to 53,201.

Shipments of vehicles for sale in Canada totalled 38,092 in June compared with 27,183 a year earlier, and in the half-year numbered 176,500 compared with 125,262. Vehicles for export numbered 3,291 in June this year against 2,913, and in the six months totalled 15,265 compared with 14,853.

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NFLD. ENGINEERS JUDGED BEST: The 56th Independent Field Squadron, Royal Canadian Engineers (Reserve), of St. John's, Newfoundland, has won the Gzowski cup, emblematic of the best all-round Reserve Force engineering unit in Eastern Canada. The Squadron, commanded by Major Sidney Willett, ED, won the trophy on the strength of its fine showing at Petawawa training camp this summer and on the progress made since it took its place in the Canadian Army only last winter.

ARMY CADETS - AND BIG BROWN BEAR. Part One Orders issued by the Royal Canadian Army Cadets at their national camp in Banff, Alta., now include a special notice about bears.

It seems that a big, brown bear was on hand to welcome 50 cadets of "A" Company on their return one day last week from a thrilling ride on the Norquay ski-lift. The bear, about the size of a small elephant -- so the cadets said -- was sitting on the steps of the mountain ski lodge where he had been waiting hopefully for chocolate bar handouts.

When the cadets crowded around with their cameras at a respectful distance, bruin sauntered slowly towards them. And for every step the bear took forward the lads took one step back. By the time the Company Sergeant-Major, F.W. Goodman, reached the bottom of the lift, bruin was surrounded by a solid ring of fine Canadian youths whose chocolate bars were rapidly disappearing down his gullet.

Sgt.-Maj. Goodman soon made it clear to the cadets that park signs, warning that feeding bears by hand is dangerous, are not put up for nothing. Even after the cadets had returned to their tented camp at the foot of towering Cascade Mountain the sergeant-major was still nervous.

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INDUSTRIAL EMPLOYMENT HIGHER: Industrial employment showed a marked upswing at the beginning of June, according to figures received by the Bureau of Statistics from over 20,000 firms in the eight major non-agricultural industries. Aggregate weekly salaries and wages also moved higher.

The staffs on the reporting firms increased almost four per cent over May 1 -- the largest advance at the same date since 1941 -- and the index number rose to a new June 1 peak of 196.0 as against 188.7 at May 1. At June 1 last year it was 194.5. The rise in recorded employment at June 1 as compared with a month earlier was accompanied by an increase of three per cent in weekly salaries and wages.

At \$44.61, average weekly salaries and wages were 38 cents lower than at May 1. Also lower than at April 1 and March 1 this year, the most recent figure of per capita earnings was otherwise the highest in the record, exceeding the June 1, 1949, average by 5.4 per cent.

Conforming to the seasonal pattern, the increase in employment for men at June 1 was decidedly more pronounced than for women. The co-operating firms reported a gain of about 4.8 per cent among their male employees as compared with a rise of 0.5 per cent among females. The general proportion of women was lower than at May 1, but was the same as at June 1, 1949.

On the whole, the trend of employment was favourable in all provinces, in 18 of the 22 cities for which data are available, and in each of the main industrial divisions. Moder-

ate advances were recorded in manufacturing, in which the gain of 1.5 per cent was slightly less-than-average in extent, according to the experience of preceding years, although it was larger than that noted 12 months previously.

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POPULATION TRENDS. Canada's male population increased slightly more in number than the female population during the past year, while the number of persons 60 years of age and over rose somewhat more than the number of children under five but less than the number of children under 10.

According to calculations of the age and sex distribution of the population of Canada (excluding the territories) by the Bureau of Statistics, there were 7,030,300 males at June 1 this year compared with 6,881,800 12 months earlier, while females totalled 6,790,700 compared with 6,643,200. In the year the excess of males over females rose from 238,600 to 239,600.

The past year was the third in which the number of males has risen more than the number of females. Before 1948 the female population was gaining on the male, the excess of males over females dropping each year from 291,700 at the time of the 1941 Census to 22,800 in 1947. Nineteen years ago, the 1931 Census showed 370,200 more males in the nine provinces.

MALES EXCEED FEMALES

The Bureau's estimates show males exceeding females in all five-year age groups under 80. From 80 upwards there are 88,000 females to 80,500 males. All age groups increased in number this year over 1949, except the male and female 20-24 years groups and the male 25-29 years group.

Compared with last year, the number of children under five years increased 2.6 per cent from 1,549,700 to 1,589,700 and the number under 10 by 3.7 per cent from 2,806,800 to 2,910,300. At the same time, persons 60 years old and over rose in number from 1,527,400 to 1,576,000, or by 3.2 per cent. The number of children under five this year is 58 per cent greater than in 1939 and 48 per cent above the 1931 number, while the population over 60 is 44 per cent larger than in 1939 and 81 per cent above 1931.

Canada's male population of military age, in spite of decreases in those 20 to 29 years old, is substantially larger this year than in 1949 and is very much greater than at the start of the second World War. Taking only the classified age groups, the Bureau's estimate shows 1,655,900 from 20 to 34 inclusive this year as compared to 1,640,700 last year and 1,399,200 in 1939, and 2,562,400 from 20 to 44 as against 2,527,100 and 2,123,700, respectively. In the 11 years from 1939 the number from 20 to 34 has thus increased by 256,700 and from 20 to 44 by 438,700.

STANDARDIZATION OF NAVAL OPERATIONS

CANADA, U.S. AND U.K. COMMITTEE: Standardization of naval operations by the United States, the United Kingdom and Canada has been under discussion by a tripartite committee representing the Navies of these three countries, it was announced simultaneously on August 15 by Naval Headquarters in Ottawa, the British Admiralty in London and the Navy Department in Washington.

The committee was composed of the following three officers as senior members from their respective countries: Rear-Admiral R.P. Briscoe, U.S. Navy; Rear-Admiral B.B. Schofield, Royal Navy; and Rear-Admiral F.L. Houghton, Royal Canadian Navy.

Vice-Admiral H.T.W. Grant, Chief of the Naval Staff, recently approved for the Royal Canadian Navy the report of this committee.

The report calls for staff discussions to determine common objectives in the overall fields of naval warfare wherein standardization will be practicable and beneficial.

The staff discussions will take place in the broad fields of: Sea Command Tactical Requirements, Communications, Naval Control of Shipping, Naval Air Operations, Air Defence of Forces at Sea, Submarine Operations, Anti-Submarine Operations, Minelaying Operations, Mine Countermeasure Operations, Operations by Coastal Forces, Amphibious Operations, Defence of Ports and Bases, Sea Exercises and Training, and Logistic Doctrines.

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MR. MCGREER TO WARSAW: The Department of External Affairs announced on August 11 that Mr. Edgar D'Arcy McGreer was proceeding to Warsaw in the immediate future to take charge of the Canadian Legation in Poland.

Mr. McGreer is a senior career officer of the Department of External Affairs, having joined the Department in 1927 and having served in Geneva, Paris, Washington, Tokyo and, since 1946, as Canadian High Commissioner in South Africa.

Mr. McGreer will succeed Mr. Kenneth Porter Kirkwood, another senior career officer of the Department, who has been Canadian Chargé d'Affaires in Warsaw since the Legation was opened there in April, 1947.

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HARVESTERS MOVEMENT: The annual Federal-Provincial movement of harvesters to the prairie provinces is due to commence this week with the bulk of the movement taking place late in August, it was announced by the Minister of Labour, Mr. Gregg, on August 11.

While the exact number required for the movement is not yet known, it is expected that at least 2,000 will make the trip. The crop is expected to be considerably heavier than last year although somewhat later, the Minister pointed out.

These discussions will be followed by detailed studies of individual items. These will be carried out by working level members from the naval staffs of the three nations and will aim at the gradual development of common designs and standards in arms, equipment and training methods.

The work of this committee has been a part of the overall tripartite arrangements for collaboration in the broader military standardization programme among all the Armed Forces of the three countries. The detailed studies which will follow the staff discussions are a step toward the fulfilment of the wider arrangements in general military standardizations under the North Atlantic Treaty Military Production and Supply Board which call for promotion of standardization in military equipment in the North Atlantic area. These arrangements are similar to ones already made by the Brussels Treaty Powers.

The arrangements made will reduce the operational and technical obstacles to co-operation among the navies and will achieve the greatest possible economy in the use of combined resources and efforts.

The co-operation arrangements to be made for this purpose do not impair the control of any country concerned in any activity in its territory. No treaty, executive agreement or contractual obligation has been entered into by the participating nations.

SOLDIER DESIGNS DECORATION: A Toronto-born soldier, Sgt.-Major Bernard Reddie, now of Ottawa, has been revealed as the artist who designed the new and distinctly Canadian "Canadian Forces Decoration", soon to be awarded to servicemen completing 12 years in either the Active or Reserve Forces of the Navy, Army and Air Force. Reddie is staff artist of the Canadian Army Journal, official monthly publication of the Army.

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URBAN LIVING COSTS RISE: Composite cost-of-living indexes for the eight regional cities moved higher during June, mainly reflecting further strength in food prices. Part of the rise in foods was seasonal, notably increases for potatoes and eggs. Higher rentals were registered in six centres, while the indexes for fuel and light remained unchanged for Montreal and Toronto. At these two centres, higher prices for anthracite coal moved the indexes up. Other main groups were generally unchanged to slightly lower.

Composite city index increases between June 1 and July 3 were as follows: Montreal, 2.6 points to 171.6; Saint John, 2.2 to 164.0; Halifax, 2.1 to 158.5; Toronto, 2.1 to 164.2; Edmonton, 2.1 to 163.4; Vancouver, 2.0 to 169.0; Winnipeg, 1.8 to 161.9; and Saskatoon,

BUSINESS

1.4 to 166.4. In the same interval the all-Canada index rose 2.1 points to 166.2.

The city indexes show changes in the cost-of-living for each city. They do not indicate whether it costs more, for instance, to live in Montreal than in Halifax, since the basic expenditure pattern was different for each city.

JUNE RECORD AUTO SALES: Canadians bought more new motor vehicles in June than in any other month on record, exceeding by a wide margin the new peak they established in May and out-numbering by a much greater margin their purchases in June last year.

Sales of new vehicles totalled 45,814 units compared to 40,582 in May, and were nearly 65 per cent greater than the 27,829 units sold in June a year ago. Retail value of the month's sales was \$93,475,586 compared to \$57,546,107 last year, a rise of 62 per cent.

Cumulative sales for the half-year totalled 213,906 as compared to 137,721 units in the first half of 1949, an increase of 55 per cent. Retail value aggregated \$429,497,465 as against \$288,989,540, up 49 per cent.

(Half-year shipments of Canadian-made motor vehicles for sale in Canada, as reported yesterday by the Bureau, totalled 176,500 units and shipments of vehicles imported from the United States amounted to 10,350 units. Sales of British-made vehicles in the period were reported as totalling 33,692 passenger cars and 2,314 trucks and buses. Shipments for sale in a given period, of course, do not represent sales in that period.)

HOME BUILDING INCREASES: Starts on the construction of new dwelling units, previously lagging behind 1949, spurted ahead in May to raise the total for the first five months slightly higher than last year's, but the completions were lower both in the month and cumulative period. As a result, the excess over last year in the number under construction increased still further.

Starts in May are estimated at 13,647 as compared with 12,809 in the corresponding month last year, bringing the aggregate for the five months to 30,084 as against 29,671. Completions in the month numbered 6,171 as compared with 7,374, and in the five months totalled 29,441 compared with 32,451. At the end of May there were 58,130 units in various stages of construction as compared with 53,533 a year ago.

CANADA SAVINGS BONDS: The Minister of Finance, Mr. Abbott, has announced that the Fourth Series of Canada Savings Bonds will be withdrawn from sale on August 31. Applications made before August 31, with arrangements for deferred payment, are not affected.

Led by a gain of 30 per cent in dealers' sales of motor vehicles, 17 out of 21 trades advanced in June to effect a general increase of eight per cent in retail trade over June, 1949. Cumulative sales for the half-year show a more moderate rise of 4.5 per cent, with 12 of the 21 trades below the first half of 1949. Motor vehicle sales averaged even higher in the six months than in June, with an increase of 35 per cent.

Other marked increases in June were made in lumber and building materials sales which, reflecting current home building activity, went up 21 per cent. Sales of appliances and radios rose 18 per cent, garages and filling stations, 14 per cent; grocery and combination stores, 11 per cent. On the other hand, clothing store sales declined eight per cent in women's and five per cent in men's.

Department store sales increased 26 per cent during the week ending August 6 over the corresponding week last year, according to preliminary figures. Increased sales were recorded in all sections of the country.

Canadian output of steel ingots and castings reached a peak total of 1,689,024 tons in the first six months of this year, being slightly above last year's high total of 1,676,041 tons for the same period.

Shipments of primary shapes by Canadian steel mills, exclusive of producers' interchange, totalled 248,789 net tons in May as compared with 216,723 tons in the preceding month.

Creamery butter production was four per cent lower in July, and the first seven months of this year than in the corresponding periods of 1949. The month's output declined to 36,420,000 pounds from 38,010,000 in July last year, and in the seven months to 155,294,000 pounds from 161,011,000.

Production of margarine in July amounted to 5,891,000 pounds as compared with 5,525,000 in the corresponding month last year, bringing the total for the first seven months of the year to 54,928,000 pounds against 38,756,000 in the like period of 1949.

Production of process cheese in July amounted to 2,040,000 pounds, showing a decrease of 18 per cent from the revised figure of 2,503,000 pounds produced in June, and 11 per cent below the 2,296,000 pounds recorded for July last year.

Stocks of Canadian wheat in store or in transit in North America at midnight on July 31 amounted to 99,168,700 bushels as compared with 96,718,000 a week earlier and 54,556,100 on the corresponding date last year.

Refinery stocks of raw and refined sugar were lower at the end of June than at the same time a year earlier. Raw sugar stocks fell from 123,537,600 pounds last year to 99,000,-200, and refined sugar from 201,703,800 pounds to 182,699,600.

FARM PRICES RISE: A further rise in livestock prices, together with higher prices for potatoes, poultry and eggs contributed to a substantial increase in the index number of farm prices of agricultural products in June over May, raising it also above June last year. Increased prices for livestock and potatoes out-weighted last year's higher prices for grains, dairy products, poultry and eggs.

Higher prices in June were recorded for all provinces as compared with the preceding month, and were above those of a year earlier in each province except Prince Edward Island, Nova Scotia, Quebec, and British Columbia.

The index for all-Canada, on the base 1935-39=100, stood at 258.2 in June as compared with 249.6 for May and 253.7 for June last year. The index has shown a steady rise from 239.3 in January.

IMMIGRATION TO CANADA, FOR SIX MONTHS ENDED JUNE 30

	<u>FROM OVERSEAS</u>		FROM U.S.A.	TOTALS
	British	Others		
January	556	2,699	455	3,710
February	855	3,728	376	4,959
March	847	4,427	527	5,801
April	1,434	5,597	484	7,515
May	1,659	6,052	651	8,362
June	1,387	4,801	751	6,939
Totals	6,738	27,304	3,244	37,286

NAVY REMEMBRANCE SERVICE: Two Canadian destroyers will hold a remembrance service this October in waters off the coast of France where a sister-destroyer was lost in action, with 129 officers and men, in 1944.

H.M.C. Ships Huron and Micmac, which are scheduled to take part, with H.M.C.S. Magnificent, in a training cruise in European waters this Fall, will participate in the ceremony.

On October 29, while on passage from Cherbourg to Lisbon, they will part company from the Magnificent and proceed to the area off Ile de Vierge, France, in which the first

H.M.C.S. Athabaskan went down, her guns still firing, on April 29, 1944. There the ships companies of the two destroyers will hold a service of remembrance and place a wreath on the water in honor of those who lost their lives in the sinking of the Athabaskan.

Following the ceremony, the Huron and Micmac will rejoin the Magnificent and proceed to Lisbon.

AIR CRASH VICTIMS: The nine victims of the crash of an RCAF ice-patrol Lancaster have been buried at Alert, weather station on northern Ellesmere Island, close to where their aircraft crashed on Monday, July 31, it was announced by Air Force Headquarters. Seven of the victims were members of the RCAF and two were civilians. Funeral services were conducted by the ship's chaplain of the United States ice breaker East Wind.

MR. PIERCE REPRESENTATIVE TO OEEC: The Secretary of State for External Affairs, Mr. Pearson, on August 11, announced the appointment of Mr. S.D. Pierce as Representative of Canada to the Organization for European Economic Co-operation in Paris. Mr. Pierce will have the personal rank of Ambassador. It is expected that he will assume his duties in Paris sometime next month.

Mr. Pierce was in Paris between June and December 1948, in connection with Canadian interests in OEEC and represented Canada at the meeting of the council of OEEC in Paris in July of this year.

Mr. Pierce was born on March 30, 1901, at Montreal. He graduated from McGill University, Montreal, with the degrees of B.A. and B.C.L. In 1940, he joined the Department of Munitions and Supply and became Director-General of its Washington Office. He served as Canadian Executive Officer on the Combined Production and Resources Board and as Canadian Executive Director of the U.S.-Canada Joint War Production Committees.

Mr. Pierce joined the Department of External Affairs on August 1, 1944, and served in Ottawa as Head of the Economic Division until his appointment in March, 1947, as Canadian Ambassador to Mexico. On February 1, 1949, he was appointed Associate Deputy Minister of Trade and Commerce, responsible primarily for procurement for the Armed Forces. He is a member of the Joint U.S.-Canada Industrial Mobilization Planning Committee. He is also Canadian member on the Military Production and Supply Board of the North Atlantic Treaty Organization.

Mr. Pierce has attended the following international conferences: the Interim Assembly of the Provisional International Civil Aviation Organization, Montreal, May, 1946; the First Session of the Preparatory Committee of the United Nations Conference on Trade and Employment, London, October, 1946, and the Sec-

ond Session, Geneva, beginning April 11, 1947; the UNESCO Conference in Mexico City, 1947, as Head of the Canadian Delegation; the Second, Third and Fourth Sessions of the National Assembly of the United Nations and the Economic and Social Council meeting in New York, 1950.

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\$50,000,000 BOND ISSUE IN U.S.: The Minister of Finance, Mr. Abbott, announced on August 16 that the Government proposes to issue in the United States \$50,000,000 Government of Canada Twenty-Five Year 2½% Bonds due 1975. A registration statement covering this issue will be filed shortly with the Securities and Exchange Commission in Washington. These bonds will be direct obligations of the Government of Canada and principal and interest will be payable in United States dollars.

The proceeds from the sale of these bonds will be used to redeem half of the \$100,000,000 principal amount of Government of Canada Thirty Year 4% bonds due October 1, 1960, which have been called for payment October 1, 1950, at the principal amount.

This will result in a substantial interest saving.

The remaining \$50,000,000 of U.S. funds required to redeem the called issue will be paid out of the Treasury of the Government of Canada.

It is proposed that the new issue will be underwritten by a number of United States and Canadian investment bankers headed by Morgan Stanley & Co.

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CANADA-N.Z. AIR AGREEMENT: A Bilateral Agreement for air services between Canada and New Zealand was signed on August 15 in Wellington, New Zealand. Mr. Alfred Rive, Canadian High Commissioner in Wellington, signed on behalf of Canada, while the Honourable F.W. Doidge, New Zealand Minister for External Affairs, signed on behalf of his Government.

The Agreement is similar in form to an air agreement previously concluded with Australia in 1946 and provides for the direct carriage of traffic between Canada and New Zealand from designated airports at Vancouver and Auckland.

Canadian Pacific Airlines has already been designated by the Canadian Government to operate international air services in the Pacific and, since 1949, has maintained a service between Vancouver and Sydney with round trips every two weeks.

The New Zealand Government is a partner in the British Commonwealth Pacific Airlines, which has been operating air services between Australia, New Zealand and Vancouver since 1946. Consequently, the Agreement signed on August 15 will not involve the inauguration of any new services except for the extension of the Canadian Pacific Airlines flights to New Zealand.

FURTHER AID TO UN: Following is the text of a letter delivered by John Holmes, Acting Permanent Delegate of Canada to the United Nations, to Trygve Lie, Secretary-General of the United Nations, at Lake Success on August 11:

"I have the honour to refer to my message of July 1950 concerning additional Canadian assistance to the forces operating in Korea under the authority of the Security Council's Resolution of June 27. In that message I informed you that the Canadian Government had decided to make available to the United Nations a long-range air transport squadron, including ground crews of the Royal Canadian Air Force, for assistance in the Pacific airlift.

"I am instructed to inform you that the Canadian Government has now decided, with the co-operation of Canadian Pacific Airlines, to make available, at once, to the United Nations, the complete passenger facilities of the regular Canadian commercial air service between Vancouver and Tokyo, operated by Canadian Pacific Airlines, on two flights a week west-bound and the equivalent of one flight a week east-bound.

"The detailed arrangement for the participation of these aircraft will be made with the unified command established under the authority of the Security Council."

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RECRUITING AVERAGE 500 DAILY: In the six days after recruiting for the Canadian Army Special Force opened on August 9, a total of 3,027 volunteers were attested and were in training camps or en route, Army Headquarters announced on August 15. Total applications, including those volunteering for the regular Active Force, were over the 11,600 mark at August 15.

The figures of August 14 show that the average daily intake of 500 was slightly bettered, with 531 enlisted at the 13 recruiting stations across the country, and another 1,071 "in process" when returns were made to Ottawa at 5:00 p.m. Toronto was the high centre with 165 signed on; Montreal was second with 88, and Fredericton, N.B., third with 52. Complete figures as of August 14 follow:

	<u>Enlisted</u>	<u>Total</u>	<u>In Process</u>
St. John's	5	38	25
Halifax	6	195	26
Fredericton	52	168	106
Quebec	19	63	21
Montreal	88	659	158
Kingston	31	161	56
Toronto	165	693	260
Ottawa	41	320	190
London	8	145	91
Winnipeg	14	122	68
Regina	29	93	21
Calgary	36	196	48
Vancouver	37	174	1
	<u>531</u>	<u>3027</u>	<u>1071</u>

(Continued from p. 1)

SPECIAL FORCE COMMANDERS

Lt.-Col. A.J.S. Bailey, DSO, MBE, 36, of Duncon, B.C., to be officer commanding the 2nd Field Regiment, Royal Canadian Horse Artillery. A member of the Active Force who served with the Royal Canadian Artillery in Italy and Northwest Europe, Lt.-Col. Bailey is now on the directing staff of the Canadian Army Staff College in Kingston, Ont.

Major B.L.P. Brosseau, MC, 37, of Montreal, to be officer commanding No. 25 Field Ambulance, RCAMC, and to be promoted to the rank of lieutenant-colonel. Lt.-Col. Brosseau is an Active Force medical officer with full wartime service and is now stationed at the RCAMC School, Camp Borden, Ont.

Major H.F. Wood, 36, of Toronto, to be Brigade Major. Major Wood, formerly with the Irish Regiment of Canada, served in Northwest Europe during the Second World War and is now chief instructor at the Royal Canadian School of Infantry, Camp Borden.

Major J.P.L. Gosselin, 39, of St. Malachie, Que., to be Deputy Assistant Adjutant and Quartermaster General. Major Gosselin is an Active Force officer and served during the Second World War in Italy and Northwest Europe. He is now Resident Staff Officer in the Canadian Officers' Training Corps at the University of Montreal.

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WHEAT ESTIMATE 544,000,000 BUSHELS: Canada's 1950 wheat crop is currently forecast at 544,000,000 bushels, the Bureau of Statistics reports in its latest survey, dated August 15. If a crop this size is realized, it will be the third largest in the country's history, being exceeded only in the years 1928 and 1942 when 567,000,000 and 557,000,000 bushels, respectively, were harvested. By way of contrast, the five-year 1945-49 average production of Canadian wheat was 366,000,000, and the 10-year 1940-49 average, 394,000,000 bushels. The total acreage seeded to wheat in Canada this year, at 27,000,000 acres, is below the record 28,700,000 seeded in 1940, but the average yield per acre of 20.1 bushels is well above the long-time average of 16 bushels per acre.

In the Prairie Provinces the wheat crop is expected to yield 509,000,000 bushels, 172,000,000 above last year's outturn. The anticipated average yield of wheat in the Prairie Provinces this year is 19.7 bushels per seeded acre, with Manitoba averaging 23.5, Saskatchewan 20.1, and Alberta 17.5 bushels per acre. Production in Saskatchewan is placed at 326,000,000 bushels, in Alberta at 127,000,000, and in Manitoba at 56,000,000 bushels. The western wheat crop, particularly in Alberta and to a lesser extent in Saskatchewan and Manitoba, contains a relatively small proportion of winter wheat which is included in these figures.

NATIONAL NOTES

The Canadian railways and 15 international and two Canadian unions, embracing 125,000 non-operating railway employees, are, at this writing, deadlocked in a wage-hour dispute. The unions have called a strike for 6 a.m., local time, August 22. Although the running trades are not involved, a strike would probably mean a complete tie-up of the railways.

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A federal-provincial conference on civil defence is to be held in Ottawa within the next two weeks, it has been announced. The Minister of National Defence, Mr. Claxton, has sent out invitations to all provincial Premiers to send representatives.

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In addition to planting several million infant muskies, bass and trout in lakes and streams, the Ontario Department of Lands and Forests is planning an attempt to bring the Atlantic salmon back into Ontario waters.

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Appointment of Dr. Loris Shano Russell, B.Sc., M.A., Ph.D., F.R.S.C. as Chief of the Zoology Section of the National Museum of Canada, is announced by the Department of Resources and Development. Dr. Russell comes to his new duties from the position of Director, Royal Ontario Museum, Toronto, and from his Associate Professorship in Palaeontology at the University of Toronto.

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STABLE EMPLOYMENT: Indicating a stable employment situation, both hiring and separation rates in Canadian industries showed a slight decline during the 24 months from September, 1947, to August, 1949, inclusive, according to the second of a periodical series of reports in hirings and separations, covering this period, issued by the Bureau of Statistics.

Based on data collected by the Unemployment Insurance Commission from establishments employing 10 or more persons and having one or more employees insured under the Unemployment Insurance Act the report shows the number of hirings and separations per 100 persons on the payrolls of all industries thus covered and of 40 selected industries for all Canada. Similar figures are shown separately for the Maritime Provinces, Quebec, Ontario, the Prairie Provinces, and British Columbia (including the Yukon), the selected industries varying to fit the leading industrial activities of each region.

For all Canada, the report shows generally higher rates of hirings than of separations during the spring and summer months; an approach towards equality from September to November, with hiring rates down only slightly from those of summer but separation rates higher; and generally higher rates of separation than of hiring from December to March.



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DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

CANADA PLANS SPECIAL FORCE: Canada will recruit an additional army brigade, to be known as the Canadian Army Special Force, to be specially trained and equipped, and to be available for use in carrying the nation's obligations under the United Nations Charter or the North Atlantic Pact, the Prime Minister, Mr. St. Laurent, announced in a nation-wide broadcast on August 7.

Subject to the approval of Parliament, which is to be called into session again in six or seven weeks' time, or earlier if necessary, this brigade will be available for service in Korea as part of the United Nations forces, if it can be most effectively used in that way when it is ready for service, the Prime Minister announced.

The Prime Minister, whose address to the nation followed a series of Cabinet meetings on the international situation, also announced a stepped-up production programme for aircrafts, naval vessels, armament, ammunition, radar and other types of equipment.

The partial text of the Prime Minister's speech is as follows:

"...There was, of course, nothing really new about the Communist aggression in Korea: the same kind of thing had happened - though not in the same way - over and over again since the end of the war in 1945. What was new was the prompt action of the United Nations, led by the United States, in resisting the Communist attack on Korea.

"The action of the United Nations in Korea is not war; it is police action intended to prevent war by discouraging aggression. That is why Korea is so important to all of us who want to avoid another world war; and that is why the Government at once pledged Canada's support to the United Nations' action in Korea.

"Everyone knows, and every honest person will admit, that all the free countries in the world want to avoid war, and most of us realize that the only way to avoid war is by positive action to prevent it. That is why we set up the United Nations. That is why twelve nations joined in the North Atlantic alliance. The last five years have shown us, however, that peaceful intentions and peaceful policies are not enough to avoid war; and that we must also have the strength to meet and to repel aggression.

"You remember what happened before 1939. One successful act of Fascist aggression followed another, until the Fascist tide of conquest could be stopped only by a world war.

"That must not be allowed to happen again, and it seems clear the only way to prevent it is to call a halt to aggression. That is what is being done now. There is a real chance that the final defeat of the Communist aggressors in Korea will discourage aggression in other places because the risks will appear too great....

"All Canadians have been impressed by the expansion by the United States and Great

WORKER-IMMIGRANTS: A total of 4,489 workers with their families, consisting of 13,067 individuals, were included among the 41,000 workers who had been brought to Canada in the three-year period between June, 1947 and June, 1950, it was announced on August 3 by Arthur MacNamara, Deputy Minister of Labour.

These figures covered only those families which came to this country as a unit and did not include families where the worker was joined by his dependents after his arrival in Canada, the Deputy Minister explained.

Mr. MacNamara pointed out that a two-fold purpose had been achieved by the admission of these new Canadians. A demand for much needed help in certain fields had been partially satisfied, and a new life, new opportunities and restored hope had been granted to many thousands of the unfortunate victims of Nazi aggression.

INTERNATIONAL REFUGEE ORGANIZATION

The vast majority of these people were brought to Canada from Displaced Persons camps, under the auspices of the International Refugee Organization which provided ocean transportation, stated the Deputy Minister.

All the members of the various families who were classified as workers signed agreements with the Department of Labour to work in specified occupations for definite periods, usually a year, Mr. MacNamara said.

The largest group, consisting of 1,294 families made up of 3,644 persons, were employed in the clothing industry as garment workers. A second large group were employed in agriculture. There were some families especially selected for farm work who are available for immediate employment.

Included in the total figures were 643 married couples without children who were employed as couples in domestic work. Also included in the total were 203 widows with 435 children. Many of these women were employed as domestics.

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EXPANSION IN THE NORTH: "Development in the Canadian North is expanding steadily on a sound basis, through the energetic co-operation of private and government agencies", the Minister of Resources and Development, Mr. Winters, has stated in Ottawa.

"The most modern methods of exploration, mining and milling are being employed in the recovery of radio-active minerals, gold and base metals", Mr. Winters said following his return from a three weeks' inspection tour of the National Parks in Western Canada and of departmental activities in the North. Mr. Winters covered over 8,000 miles by air and in addition travelled hundreds of miles by auto and rail.

The Resources Minister stated that "large mining concerns are showing increasingly active interest in the industrial possibilities of the Northwest Territories and the Yukon and

in prospects of oil in the Far North. Transportation and communication facilities are being improved and extended."

The great northern river systems, new highways construction, power projects, mines and mining developments, commercial fishing activities, the Fort Norman oilfield and the Coppermine area on the Arctic Ocean were visited by the Minister.

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WORLD WHEAT SUPPLIES HIGHER: Wheat supplies remaining on or about July 1 in the four major exporting countries for export and carryover at the end of their respective crop years amounted to 687 million bushels, according to the latest available estimates. This is substantially above a year earlier, when 569 million bushels were available.

Large supplies in the United States and Australia account for the increase, estimated quantities in Canada and Argentina being down from last year. Supplies this year, with last year's figures in brackets, were held as follows: United States, 417 (308) million-bushels; Canada, 122 (126); Australia, 88 (63); Argentina, 60 (72).

Total supplies for the four countries are now placed lower than earlier anticipated, due to a downward revision in the estimated carryover in the United States, with completion of the annual crop-year-end survey of stocks, to 417 million bushels from the 450 million forecast. The reduction is accounted for by an increase in estimated domestic disappearance for the crop year, which ends in the United States on June 30.

UNITED STATES ESTIMATE

Harvesting is well under way in the United States winter wheat area and the latest official crop estimate places the yield at nearly 721 million bushels, more than ten million above the previous estimate. Spring wheat production is put at 236 million, making a total probable wheat crop of some 957 million bushels. This is 17 per cent below the 1,146 million bushels harvested last year and the first crop in seven years below a billion bushels.

In Canada, winter wheat is being harvested in Ontario with near-average yields anticipated. Harvest will be late in most of western Canada, where some 25.8 million acres were seeded to spring wheat, but good yields were in prospect at the end of July in nearly all of the major wheat-producing areas.

Prospects for the next Argentine wheat crop are reported to be promising, while reports from Australia indicate that wheat acreage may be reduced somewhat and yields lower than last season. Weather conditions were adverse in parts of Europe early in July but have improved recently, the continent's crop is still expected to equal or exceed last year's output.

SECURITIES TRANSACTIONS: Sales and purchases of securities between Canada and other countries increased during May, total transactions amounting to \$50,000,000 as compared with \$42,900,000 in the preceding month and \$29,400,000 in the corresponding month last year. Transactions in the first five months of this year aggregated \$223,000,000 as compared with \$156,800,000 in the similar period of 1949.

Sales in May to all countries were valued at \$25,900,000 as against \$21,000,000 in April and \$14,600,000 a year earlier, and purchases totalled \$24,100,000 compared with \$21,900,000 in April and \$14,800,000 in May last year. Five-month sales to all countries aggregated \$114,600,000 compared with \$80,400,000 a year ago, and the purchases were \$108,400,000 compared with \$76,400,000.

The volume of trade with the United States increased during the month, sales amounting to \$24,600,000 as compared with \$20,100,000 in April and \$14,000,000 a year ago, while the purchases totalled \$21,100,000 compared with \$19,400,000 in April, and \$14,400,000 last year. Five-month sales to the United States were \$108,600,000 compared with \$77,000,000, and purchases, \$95,100,000 compared with \$73,300,000.

Sales to the United Kingdom in the month were valued at \$400,000 compared with \$100,000 in April and \$200,000 last year, and the purchases amounted to \$2,400,000 compared with \$2,200,000 in April, and \$300,000 a year ago.

In the five months, sales aggregated \$2,200,000 compared with \$1,000,000, and the purchases, \$11,200,000 compared with \$1,400,000.

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ACCEPT RECRUITS ON "M" TEST: To further simplify recruiting procedure, the minimum Grade Eight educational requirement in Canadian Army recruiting regulations has been eliminated, it was announced on August 4 by the Minister of National Defence, Mr. Claxton.

Effective immediately army recruits will be accepted or rejected, as far as education is concerned, on results of a general knowledge examination, or "M" test as it is better known to service men. In the past, both a satisfactory "M" test score and proof of at least Grade Eight education were standard army requirements.

Army officials said that the advantage of the "M" test, which indicates potential ability to learn, is that it reveals not only general knowledge of the applicant but also assists personnel officers in placing recruits where their individual abilities will work to the fullest advantage of the service.

"Army experience shows that the 'M' test known to wartime soldiers is sufficiently reliable in itself without proof of formal education," said Mr. Claxton, "The only basic educational requirement for service in the Army will be an 'M' score of 130. Higher scores will be required for other categories.

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LIVING COSTS AT NEW HIGH: The Bureau of Statistics cost-of-living index advanced a further 2.1 points between June 1 and July 3 to reach a new high of 167.5. This compares with an index level of 162.1 a year ago, 156.9 at July, 1948 and 135.9 at July, 1947.

As has been the case for some months, high food prices accounted for most of the latest increase, but rents were also a contributing factor. The food index rose sharply from 209.0 to 214.3, largely as a result of increases in meat, eggs and potatoes. A considerable proportion of the price rise in these items was seasonal, particularly in eggs which advanced 10.4 cents per dozen, and potatoes which rose

8.6 cents per 10 pounds. Average advances per pound in meats were 2.9 cents for beef, 6.0 for lamb, 1.0 for pork, and 1.2 for veal.

The rent index moved from 132.7 to 134.9, reflecting the results of a June rent survey. Fuel and light rose 0.6 points to 137.7, following slight increases for coal and coke in some centres. The index of miscellaneous items strengthened 0.1 points to 132.5, the most notable advance in this group being gasoline prices in British Columbia. The indexes of clothing and home furnishings and services remained unchanged at 180.7 and 166.9, respectively. Slight increases and decreases within these two groups counterbalanced each other.

COST OF LIVING INDEXES

1935-39=100

	Combined Index	Food	Rent	Fuel and Light	Clothing	Home Furnishings and Services	Miscellaneous
July 3, 1950	167.5	214.3	134.9	137.7	180.7	166.9	132.5
June 1, 1950	165.4	209.0	132.7	137.1	180.7	166.9	132.4
July 2, 1940	162.1	207.2	123.4	129.1	183.3	167.5	128.5

(Continued from p. 1)

CANADA PLANS SPECIAL FORCE

Britain of their defence programmes; and we in the Government feel the security of Canada requires further expansion of our own efforts.

"Obviously it is essential to overcome the aggressors in Korea; it is just as urgent to make the free world as strong as collective efforts can make it to resist aggression anywhere.

"Thus far in Korea itself, the main burden has fallen on the armed forces of the United States. This was because the United States alone had forces immediately available to throw into the struggle. These American forces have resisted a well-armed and well-trained Communist force with outstanding heroism; and the strength to turn the military tide is being built up with the greatest urgency.

WITH THE UNITED NATIONS

"We in Canada took our stand with the United Nations against this Communist aggression. Three Canadian destroyers were at once despatched to Far Eastern waters, and placed under the United Nations command. And we know they are giving a good account of themselves.

"The Government at once considered what other effective immediate help Canada could give in response to the appeal to all the United Nations, to contribute to the necessary collective strength.

"On the 19th of July I was able to announce that Canada was providing a long range R.C.A.F. transport squadron for immediate service in the Pacific air lift at a time when transport planes were urgently needed. As you know, the squadron is already engaged in that difficult and essential task.

"We decided at that time to announce only what we could do at once. As to future effective action, we have been giving urgent - and constant - consideration to every possibility.

"Everyone knows that ground troops trained and ready for immediate action with the existing United States forces would be of assistance. The Government considered whether any part of the Canadian army should be despatched to Korea for immediate action. Having in mind other obligations for the employment of Canadian ground forces and the uncertainties of the whole world situation, we reached the conclusion that the despatch, at this stage, of existing first line elements of the Canadian army to the Korean theatre would not be warranted. I announced that decision on July 19th and that remains the view of the Government.

"Let me tell you why. Since our wartime forces were demobilized we have not attempted to maintain, in the Canadian army, a fully trained expeditionary force available for immediate action outside Canada.

"We wanted to get the best value we could for the Canadian taxpayers' defence dollars; and for the army, the first requirements were for our immediate territorial defence and for a basic training establishment. We have de-

veloped an air-borne brigade group highly trained for operations in the North and designed to share in the immediate protection of this continent. We have also maintained an establishment for the rapid expansion of the Canadian army in the event of a general war.

"But, at this time, we have no expeditionary force in being. Moreover, before the aggression in Korea, no definite plans existed for the creation of a United Nations force. And that was certainly not the fault of Canada. As early as 1946 I myself stated to the Assembly of the United Nations that the people of Canada were anxious to know what military contribution they would be expected to make to the international forces to be established under the United Nations Charter. But, in spite of its obligations under the Charter, the Soviet Union, by its wilful obstruction, prevented an international force from being set up.

TWO QUESTIONS

"The action taken by the United Nations in respect of Korea is in fact its first effective attempt to organize an international force to stop aggression. In consequence, the Government and the people of Canada were faced with two questions. First, how much and in what way should we contribute to the United Nations police action in Korea and, secondly, how much and in what way could we increase our ability to participate in other common efforts, either under the United Nations Charter or the North Atlantic Treaty....

"There has been talk of a United Nations Police Division of volunteers and this may in time work out, and be of value for areas other than Korea. If and when such a division is formed along lines considered practicable, the Government will recommend appropriate Canadian participation.

"But we feel the present situation calls for something more immediate. The Government has therefore authorized the recruitment of an additional army brigade which is beginning on Wednesday. This brigade will be known as the Canadian Army Special Force and it will be specially trained and equipped to be available for use in carrying out Canada's obligations under the United Nations Charter or the North Atlantic Pact. Naturally, this brigade will, subject to the approval of Parliament, be available for service in Korea as part of United Nations forces, if it can be most effectively used in that way when it is ready for service. The way in which it could be used in the United Nations force is being discussed with the Unified Command.

"For this new brigade the army wants young men, physically fit, mentally alert, single or married, particularly, just as many veterans of the Second World War as possible. The Brigade will, of course, include infantry, artillery and other elements. The infantry units will be organized as second battalions of the Royal Canadian Regiment, of the Princess

Patricia's and the Royal 22nd. The association of the new brigade with these historic regiments will have numerous advantages.

"In accordance with the policy announced on July 19th, we are also pressing on with recruiting for the other active forces of the Army, for the Navy, and the Air Force which are all being expanded, and for the reserve forces which form such an important part of the defence system of Canada.

"We are accelerating the production of our new all-weather two-seater jet fighter, the CF-100, now known as the "Canuck". Its tests have exceeded expectations. This week will see the test flight of the first of the F-86 Sabres manufactured in Canada.

"We are greatly expanding our capacity to produce the Orenda jet engine.

"At the same time, we are stepping up our production programme for naval vessels, armament, ammunition, radar and other types of equipment.

CO-OPERATION WITH THE U.S.

"We are working in the closest co-operation with the United States to the end that our joint resources and facilities are put to the most effective use in the common defence effort.

"We have in Canada a capacity for defence production far greater than we need to meet our own defence requirements, heavily increased though these will be. We are looking forward confidently to an acceleration and an intensification of our joint production efforts. To this end, the Joint United States - Canada Industrial Mobilization Planning Committee is meeting in Ottawa tomorrow.

"On the closing day of the last session of Parliament, I said that if the situation in Korea or elsewhere should deteriorate and further action by Canada be considered, Parliament would be summoned. The situation in Korea has deteriorated, and the expansion and accelerating of our defence programme will require Parliamentary action. The Government has, therefore, decided that Parliament should be summoned as soon as it is possible to gather the fuller information and to formulate the specific plans we will wish to lay before Parliament. It is now felt that the date is apt to be six or seven weeks hence, though naturally Parliament will be called earlier if it appears that an earlier meeting is required by international developments or would expedite effective action....

"In taking these actions and in formulating the programme to be laid before Parliament, our objective is not to make war. We are, as all our people wish us to, doing our best to prevent war.

"No one can guarantee that, through the action we are all now taking, the free nations will succeed in preventing a general war. We do know that no one of them can do this alone and that our best chance of doing it is by

following wise and progressive international policies and by building up our joint strength with speed and determination. We owe it to ourselves, to each other, to our children, and to each other's children, to do everything human foresight can suggest to prevent the disasters of a third world war. Under Providence I hope and I trust we shall succeed."

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CABINET CHANGES

MR. GREGG VETERANS MINISTER: The Prime Minister, Mr. St. Laurent, announced on August 7 the appointment of Hon. Milton F. Gregg, V.C., Minister of Veterans Affairs for the past two and one half years, to be Minister of Labour, succeeding the late Hon. Humphrey Mitchell in that post.

Mr. Gregg has been succeeded as Minister of Veterans Affairs by Hon. Hugues Lapointe, the former Solicitor General. The Minister of Justice, Mr. Carson, has added Mr. Lapointe's former responsibilities to his portfolio.

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"FRANCONIA" INVESTIGATION: The Minister of Transport, Mr. Chevrier, has ordered a formal investigation to be held into the circumstances attending the recent grounding of the S.S. "FRANCONIA", which stranded on the west end of the Isle of Orleans, just below Quebec, on July 12, a preliminary enquiry having already been held by the Department of Transport.

In announcing his decision, Mr. Chevrier said that he was conscious of the acute interest rightly held by the people of Canada in any occurrence which might cast a reflection upon the navigational facilities of that vital link in Canada's transportation system, the St. Lawrence River.

"The St. Lawrence," said Mr. Chevrier, "is considered to be one of the best-marked waterways in the world. The Department of Transport spares no effort in keeping dredged the channel which permits the largest ocean vessels to penetrate over a thousand miles into the heart of the continent, and in keeping in good order the hundreds of lighthouses and buoys which mark that channel...."

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CHAPLAINS-TO-BE IN TRAINING: Twenty officer cadets of the Royal Canadian Army Chaplain Corps, representing both the Protestant and Roman Catholic faiths, are presently training at Camp Borden and Valcartier Military Camp.

Eight of the cadets at Borden are Protestant and are taking the first practical phase of their COTC training, while four Roman Catholic cadets are taking the second practical phase of COTC training there. The eight R.C. cadets at Valcartier are taking the first phase.

BUSINESS

New all-time peaks in financial transactions in the form of cheques cashed in clearing centres were reached in June and the first six months of this year. The total for the month was \$10,044,701,000 as against \$7,216,255,000 in June last year, bringing the half-year aggregate to \$46,514,277,000 as compared with \$41,170,316,000 a year earlier, a gain of 13 per cent.

Department store sales rose 12 per cent during the week ending July 29, according to preliminary figures released by the Bureau of Statistics. All sections of the country participated in the rise except Saskatchewan.

Combined output of the iron and steel group of industries and of transportation equipment industries in 1949 was nine per cent greater in value than in 1948, aggregating \$2,472,000,000 as against \$2,262,000,000, according to a preliminary summary of statistics for these industries.

Gold production in Canada during May maintained the steady upward trend of previous months with an increase of 12 per cent over May last year. Total output for the month was 373,758 fine ounces as compared with 332,442 in May last year.

All fruit crops showed some improvement during the past month but yields, with the exception of raspberries and grapes, are still expected to be well below the 1949 level. The apple crop is currently set at 15,691,000 bushels, two per cent above the June estimate, but 12 per cent lighter than in 1949.

Car loadings on Canadian railways during the week ended July 29 reached a new peak for the period at 81,096 cars, showing an advance of 7,563 cars or 10.3 per cent over the preceding week. Since the middle of May this year the weekly volume has been well above both 1949 and 1948 levels.

Output of crude petroleum and natural gasoline moved up 11 per cent in April over a year earlier, the month's output amounting to 2,045,000 barrels as compared with 1,845,400. During the four months ending April, 8,384,200 barrels were produced as compared with 6,393,400 in the like period of 1949, a rise of 31 per cent.

Stocks of Canadian wheat in store or in transit in North America at midnight on July 20 amounted to 96,718,000 bushels as compared with 99,634,000 on July 13, and 53,659,000 on the corresponding date last year.

APPOINTMENTS

Captain G.E. Fardell, R.N., recently appointed Naval Adviser to the High Commissioner for the United Kingdom in Canada, and Senior Royal Naval Liaison Officer in Canada, arrived in Ottawa on August 7 to take up his new duties. He succeeds Captain Sir Robert W. Stirling-Hamilton, R.N., who is returning to England after two years in Canada in the foregoing appointments.

Appointment of J.R. Robertson, of Toronto, as Superintendent of Airways and Airports of the Department of Transport, Ottawa, to succeed Major Robert Dodds who was recently elevated to the post of Controller of Civil Aviation, was announced on August 4.

Personnel changes in the legal services of the Department of Transport involve the promotion of Jacques F. Fortier, Legal Adviser, to the post of Counsel, and the appointment of Ronald R. Macgillivray of Saskatoon, as solicitor.

WHOLESALE PRICES AT PEAK: Wholesale prices in Canada reached an all-time high in June, according to the monthly index number of wholesale prices compiled by the Bureau of Statistics. The June index, on the base 1926=100, was 165.0, up 3.2 points over May and 8.7 points over June last year. Since the first of the year it has risen from 157.1. The previous peak for the index was 164.3 registered in May, 1920.

Marked increases in the wholesale prices of nickel, zinc, copper, steel scrap, cheese, pork and lamb carcasses, eggs, raw wool, fir timber, cedar shingles, and rolled oats, were large factors in the rise in the general wholesale price index between May and June. On the other hand there were declines in the prices of tallow, oranges, pepper, coconut oil, and soya bean oil.

AUTO SALES JUMP 40 P.C.: With the much larger number of cars imported from the United Kingdom helping to swell the volume, Canadians bought almost 40 per cent more new passenger cars in 1949 than in 1948. Removal of restrictions which had curtailed imports from the United States also contributed to the increased volume but to a less important degree.

New passenger cars sold in Canada during the year totalled 202,318 as compared with 145,655 in 1948, according to the Bureau's annual report on new motor vehicle sales and motor vehicle financing. This represented 71 per cent of total sales of new motor vehicles as against 65 per cent the previous year.

In all, 286,341 new motor vehicles with a retail value of \$588,724,685 were sold in Canada during 1949 as compared with 221,300 with a retail value of \$439,216,988 in 1948. Truck sales increased 11 per cent over 1948, while sales of buses fell off 27 per cent.

In spite of the high volume of 1949 passenger car sales, there was a considerable backlog of orders at the year's end. In the first three months of 1950 passenger car sales reached an unprecedented high of 71,071, more than one-third of the 1949 total and 128 per cent above the first quarter of last year.

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BRIG. ROCKINGHAM TO COMMAND: Brig. John M. Rockingham, CBE, DSO, 38, of Victoria, B.C., has been appointed to command the Canadian Army Special Force, it was announced on August 9 by the Minister of National Defence, Mr. Claxton. He is expected to reach Ottawa by air from the coast this week and confer at once with the Chief of the General Staff and other senior officers.

Brig. Rockingham won his present rank during the Second World War when he was given command of the 9th Infantry Brigade -- the famous Canadian Highland Brigade -- during the Normandy campaign. After the war in Europe, he returned to civil life in Victoria as an official of the British Columbia Electric Railway Company. He has since carried on his military activities as a member of the Reserve Force, and since 1948 has been officer commanding the 15th (Reserve) Infantry Brigade at Vancouver.

BORN IN AUSTRALIA

Born in Australia and educated in Melbourne, Brig. Rockingham came to British Columbia as a youth and has worked for the B.C. Electric for many years. In 1935 he joined the Canadian Scottish Regiment in Victoria and was mobilized with that militia unit when war broke out in September 1939. In 1942, then overseas and in the rank of major, he was transferred to the Royal Hamilton Light Infantry, and less than a year later was promoted to the rank of lieutenant-colonel and given command of that unit.

From April to July, 1944, he attended the Staff College at Camberley, then proceeded direct to Normandy to resume command of his battalion which was in action at that time. Less than a month later he was made a brigadier and appointed to command the 9th Brigade, leading it through bitter actions around Caen, the Falaise pocket, Boulogne and the Breskens Peninsula. Units of the brigade were among the first Canadian troops to cross the Rhine into Germany.

Brig. Rockingham won the Distinguished Service Order while leading the Royal Hamilton Light Infantry in Normandy, and a bar to the DSO in the Rhine crossing. After the war he was made a Commander of the British Empire for his outstanding war service.

He was to have commanded a brigade in the Canadian Army Pacific Force and returned from Europe in 1945 for that purpose, but retired to civilian life shortly after the Japanese surrender. He is married and has one son and one daughter.

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CANADA AND CUBA RAISE STATUS OF NEW MISSIONS:

The Department of External Affairs announced on August 10 that the Government of Canada has accepted a proposal by the Government of Cuba to raise the respective legations in Havana and Ottawa to the status of embassy.

Dr. E.H. Coleman, C.M.G., Canadian Minister to Cuba, is at present on leave in Canada. He will be returning to Cuba to resume charge of the Canadian mission.

The Government of Cuba has indicated that the appointment of an ambassador to Canada will be announced shortly. The Cuban Legation in Ottawa has been under the direction of a chargé d'affaires ad interim since the departure of the former Minister, Dr. Mariano Eruil, on his appointment as Minister to Switzerland, a year ago.

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THE WILL OF THE LATE MR. KING:

The Right Honourable W.L. Mackenzie King bequeathed Laurier House, in Ottawa, and his Kingsmere estate to the Government of Canada, it was announced on August 8 with the publication of some of the details of the former Prime Minister's will, disposing of an estate valued at about \$750,000. A sizable proportion of the estate is to be used for the foundation of scholarships, in his own name and that of his father, John King.

The Prime Minister, Mr. St. Laurent, issued a statement expressing appreciation of Mr. King's public bequests.

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WORLD PRICE MOVEMENTS:

Living costs continued to move higher in most countries in the second half of 1949, but at a somewhat slower pace. Wholesale price levels generally advanced during the latter part of 1949, although indexes for Switzerland and the United States continued to decline. The devaluation of the pound sterling on September 18 was followed by a general readjustment of nearly all foreign currencies and was reflected in a realignment of international price levels, the Bureau of Statistics reports.

The United States Bureau of Labour Statistics consumer's price index registered a small change between June and December. Moderate declines in food and clothing which exceeded advances in rent and fuel, brought the index down to 167.5 for a net decrease of 1.2 per cent. Due mainly to higher prices for food, the cost-of-living index for the United Kingdom rose two points to 113.

After receding fractionally from a peak of 162.8 in August, the cost-of-living index for Canada closed the year at 161.5, 2.6 points above the comparable level in 1948. Higher levels for rents and fuel were mainly responsible for the change. Australia's cost-of-living index for six capital cities registered an increase of 4.5 per cent to 165.3 between June and December, while the South African index fell 0.3 per cent to 154.2. Index advances in other countries were as follows: France, 12.9 per cent; Peru, 8.9 per cent; Chile, 7.5 per cent; Spain, 5.7 per cent; and Finland, 5.5 per cent.

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ASSISTANT GRAIN COMMISSIONER: Appointment of John Rayner, of Winnipeg, as Assistant Grain Commissioner for Manitoba with headquarters in Winnipeg, effective August 1, was announced on August 10 by the Minister of Trade and Commerce, Mr. Howe.

Mr. Rayner, a combat veteran of the first World War, has had twenty-six years' association with the Canadian grain business, dating from his appointment in February, 1924, to the staff of the Board of Grain Commissioners, of which he has been Secretary since July, 1930.

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BUILDING MATERIALS UP: Wholesale prices of general and residential building materials both moved upward in June, the increase in each case being the largest in recent months, according to the index numbers compiled by the Bureau of Statistics.

The Bureau's wholesale price index for general building materials rose 8.8 points from May to June, advancing from 209.6 to 218.4. Since September, when it stood at 197.6, this index has shown an uninterrupted monthly increase. The latest figure is 17.1 points above the standing of 201.3 in June last year. High point for the index in 1949 was 205.4 in March.

Due mainly to increases in lumber and products, roofing materials and electrical equipment, the composite index of residential

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building materials showed an increase of 8.3 points in June, rising to 238.3 from 230.6 for May. The June increase follows upon a rise of 3.4 points in May after a year of minor changes. The latest figure compares with 228.0 for June last year.

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NATIONAL NOTES

The first Canadian-built F-86 Sabre jet fighter attained a speed of 670 miles per hour in its initial test flight over Montreal airport on August 9.

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Canadian young men were lined up at recruiting centers across the country on August 9 and the two-day total of volunteers for the newly-announced Spécial Force was reported to be 2,300.

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Following announcement from Washington that the United States Senate had ratified the Treaty for the diversion of additional water from the Niagara River, Ontario Hydro Chairman R.H. Saunders said the Commission would be able to go ahead within a few weeks with a multi-million dollar power development at Niagara.

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MAJOR STRACHAN'S APPOINTMENT: Major William J. Strachan, 37, of Ottawa, well-known Canadian Army marksman and Bisley shot, has been appointed Assistant Canadian Military Attaché to Sweden and Finland, Army Headquarters announced on August 9.

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SPECIAL FORCE PAY RATES: Rates of pay and allowances for members of the new Canadian Army Special Force will be the same as now being received by the Active Army, it was announced on August 10 by the Minister of National Defence, Mr. Claxton.

**CANADIAN WEEKLY BULLETIN**

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

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WEEK'S EVENTS IN REVIEW

THE DEATH OF MR. MITCHELL: Canada's Minister of Labour, Hon. Humphrey Mitchell, died suddenly in Ottawa on the morning of August 1, aged 55.

A state funeral, the Capital's second state funeral within nine days, is to be held on August 4. The body is to lie in state in Parliament's Hall of Fame from Friday morning, August 4, until early Friday afternoon, when the state funeral procession will leave for St. Barnabas Anglican Church, where service is to be held.

Rev. H.W. Browne, rector of St. Barnabas, will conduct the service and burial will be in Beechwood Cemetery in suburban Ottawa.

Only last week Mr. Mitchell visited the Hall of Fame to pay his last tribute to the former Prime Minister, Mr. King, who lay in state there for three days. He later attended Mr. King's state funeral in Ottawa and burial service in Toronto.

The late Mr. Mitchell had held his portfolio of Labour for eight years, seven months and 15 days, longer than any Minister of Labour in Commonwealth history. He entered the Cabinet in December, 1941.

Mr. Mitchell had noteworthy war service in the Royal Navy in the First World War. His service took him to the Dardanelles, the Indian Ocean and with the China Squadron at Singapore.

Tributes to the late Minister were tendered by the Prime Minister, Mr. St. Laurent, representatives of both labour and management, trade union leaders, and prominent citizens all across Canada.

MR. MENZIES' VISIT: The Right Honourable R.G. Menzies, P.C., K.C., M.P., Prime Minister of Australia, who is at present visiting in the United States, will visit Ottawa as the guest of the Government of Canada from Monday, August 7 to Wednesday, August 9 and will fly from Ottawa to Vancouver, where he will spend August 10, returning to the United States on the morning of Friday August 11. While in Ottawa, Mr. Menzies will stay at the residence of the High Commissioner for Australia, the Right Honourable F.M. Forde, P.C.

Mr. Menzies and the members of his party will arrive at Rockcliffe Airport in a Canadian Government aircraft from New York on the afternoon of Monday, August 7, and will be welcomed by members of the Cabinet, Major General H.P.G. Letson, representing His Excellency the Governor General, the High Commissioner for Australia, and the Mayor of Ottawa. There will be a guard of honour and an artillery salute of nineteen guns.

Mr. Menzies' programme in Ottawa includes a dinner given by the Australian High Commissioner on Monday, the laying of a wreath at the National War Memorial on Tuesday, an address before the Canadian Club of Ottawa which later will be broadcast on a national network, a dinner given by the Prime Minister on behalf of the Government of Canada and a press conference on Wednesday.

The programme for Mr. Menzies' visit to Vancouver includes the presentation of the "Keys of the City" by the City of Vancouver and of an honorary degree by the University of British Columbia.

CROP CONDITIONS FAVOURABLE: For the third successive week crops in the Prairie Provinces in general have made favourable progress. This is in contrast to the situation which frequently prevails as a result of extreme July heat and lack of moisture, the Bureau of Statistics reported last week.

Conditions in Manitoba continue satisfactory, although cool weather and rains have retarded heading. Stands are generally heavy but late and adverse weather could create a serious hazard through lodging. In Saskatchewan conditions have been well maintained with improvement noted in some districts. Prospects in the Province as a whole appear to be above normal. With the exception of scattered areas, crops in Alberta have generally improved but further moisture will be required soon in some areas. Sugar beets have recovered from earlier hail damage and prospects are very good for other special crops. Haying is in progress in Alberta but wet weather has delayed operations in most areas of Manitoba and Saskatchewan.

GRASSHOPPER LOSS LIGHT

Grasshopper damage has been generally light to date and with the exception of central and western Saskatchewan the threat is diminishing. Crops are much later than normal in many parts of the Prairies and consequently there may be some danger of early frost damage in susceptible areas. While moisture conditions are generally favourable at present, there are wide areas of Saskatchewan and Alberta where timely rains will still be required to promote satisfactory crop development.

Crops continued to make satisfactory progress in Manitoba during the past week but warmer, drier weather is needed to hasten development. Early-seeded crops are headed but late-sown grains will not reach that stage until early August. Grain stands are very heavy with little or no damage except some flooding in low spots. The flax crop shows some improvement this past week; rye is poor to fair; sugar beets promising. Growth of corn and sunflowers is backward due to cool weather and these crops may not mature unless warm, dry weather is received. Rains are delaying haying throughout the Province. Pastures and gardens, however, are excellent.

Crop conditions were well maintained in Saskatchewan during the past week with some improvement in parts of the south-central and southwestern districts resulting from recent rains. Moisture conditions are generally satisfactory, although central and western districts will require more rain soon. Excess precipitation and cool weather are retarding the development of rank stands in southeastern districts, where wheat is only 40 to 60 per cent headed as compared with 75 to 90 per cent over the rest of the Province. Length of straw is satisfactory in both wheat and coarse grains over most areas. Grasshopper damage has been held to a minimum in the affected areas,

but the threat is still serious in central and western Saskatchewan.

Moisture conditions have been improved over much of the Province by recent rains. Crops have shown quite general improvement during the past week, although early rains would be of benefit in parts of the southeast, south-central and northeast sections of the Province. Recent losses from hail have been generally light and insect damage appears to be diminishing. Most special crops are in good condition. Since crops are generally later than normal there will be some danger of frost damage in susceptible areas of the Province.

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DAIRY INDUSTRY TRENDS: Milk production, which showed a sharp decline after the end of the war followed by a partial recovery in 1947, appears to have become stabilized during the last two years at almost one billion pounds below the peak output of 1.7 billion pounds in 1945, states the Bureau's annual report entitled "Dairy Statistics" covering the calendar year 1949. Creamery butter and fluid sales account for approximately two-thirds of the total production.

There has been a gradual rise in the proportion of production utilized as fluid milk. During the last five years fluid requirements have increased to take about two per cent more of the total available supply than formerly. A stronger domestic market for manufactured products has also resulted in larger proportions going into ice cream and concentrated milk products, while more than offsetting the increase in fluid milk has been a reduction in the quantity used for cheddar cheese, which has fallen from 12 per cent in 1945 to less than eight per cent last year.

A gradual change has also taken place in the geographical distribution of milk production. In 1949 the Prairie Provinces produced 27 per cent of the total as compared to 22 per cent in 1920, most of their gain being represented by a loss in Ontario and Quebec where the proportion fell from 67 to 63 per cent over this period. Thirty years ago 71 per cent of the creamery butter was manufactured in the two central Provinces and only 23 per cent in the Prairie Provinces. In 1945 creamery butter output in the Prairie Provinces accounted for 35 per cent and in Ontario and Quebec for 56 per cent, while in 1949 the proportions were 31 and 60 per cent, respectively.

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RECORD JUNE EMPLOYMENT: Employment in the major non-agricultural industries showed a considerable seasonal expansion at June 1, and the index number reached the highest level for that date in the record. The advance was accompanied by a rise in payrolls. Per capita weekly earnings, although lower than at May 1, were at a new peak for June 1.

The advance general index number of employment, on the base 1926 as 100, stood at 196.1 as compared with 188.8 at May 1, and 194.5 at June 1 last year. Payrolls rose three per cent during the month, and per capita weekly earnings stood at \$44.61 compared with \$44.99 at May 1, and \$42.32 a year earlier.

Gains in employment ranged from 1.6 per cent in Manitoba and three per cent in Ontario, to over 10 per cent in Nova Scotia, Prince Edward Island and Saskatchewan. Fairly general expansion was reported in manufacturing, transportation, communications, construction and maintenance, services and trade. The advances in construction were particularly large. Logging afforded more employment except in the Prairie Provinces; river-driving operations in eastern Canada resulted in the re-employment of many workers. Moderate improvement was recorded in mining except in Nova Scotia, New Brunswick and Saskatchewan.

The advance index number of employment in manufacturing was 203.9 as compared with 200.8 at May 1, and 205.1 at June 1 last year. The index number of factory payrolls rose one per cent in the month. As compared with June 1, 1949, there was a rise of 5.8 per cent in the disbursements in weekly salaries and wages. The advance figure of average weekly earnings in manufacturing at June 1 was \$46.12 as compared with \$46.34 at May 1, and \$43.31 at June 1, 1949.

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MR. HÉBERT SPECIAL AMBASSADOR: The Prime Minister, Mr. St. Laurent, announced on July 27 the appointment of Mr. Charles Pierre Hébert, Canadian Ambassador in Mexico, as Special Ambassador of Canada at the inauguration of President Elect General Manuel A. Odría as President of the Republic of Peru.

Mr. Hébert presented his Letter of Credence on July 27. He transmitted to the new President Elect the following message from the Prime Minister:

"Your Excellency:

"On the occasion of your excellency's inauguration as President of the Republic of Peru, I wish to extend my warmest congratulations and the best wishes of the Government and people of Canada in carrying out the great task to which Your Excellency has been called.

"I am confident that the cordial relations which have existed between our two nations will continue to grow and that in these times of world unrest our two countries will continue to co-operate to the fullest extent in the preservation of peace.

"Upon your accession to this high and distinguished office may I assure Your Excellency of the sincere friendship which the Government and people of Canada entertain for Your Excellency, and for the Government and people of Peru."

The actual inauguration of the new President will take place on August 28 in the Camera de Deputados at Lima.

Mr. J.M. Cook, Canadian Chargé d'Affaires ad interim, and Mr. R.E. Gravel, Commercial Secretary, Canadian Embassy, Lima, will form part of the Special Mission with the honorary rank of First Secretary!

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ARMY RECRUITING DRIVE: Army recruiting authorities are going flat out to fill existing vacancies in the Canadian Army Active Force as a result of the recent broadcast of the Minister of National Defence, Mr. Claxton, on the strengthening of the country's armed forces, Army Headquarters has announced.

In addition to inaugurating a new national advertising campaign, more direct and forcible than any since the end of the Second World War, the possibility of opening extra recruiting depots is being considered and all existing depots have been warned to prepare for an increased flow of applicants as a result of the present grave international situation. Recruiting personnel are also working longer hours, the depots now being open from Monday to Friday from eight AM to 10 PM and, on Saturdays, from eight AM to six PM. On Sundays there is a duty NCO at the office all day to answer all calls and queries.

Due to the fact that recruiting depots are located only in the larger centres across the country, all AF administration and training staffs attached to Reserve Force units have been supplied full information on recruiting and instructed to advise prospective recruits.

Present requirements for enlistment in the Canadian Army Active Force are that the applicant be a Canadian citizen or a British subject resident in Canada; be unmarried and between the ages of 17 and 29; possess a formal education equivalent to Grade 8 and be willing to volunteer for service anywhere.

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WESTERNERS MAN UN SHIPS: Eighty per cent of the officers and men of the three Canadian destroyers assigned to the United Nations forces for the defence of South Korea hail from the four Western Provinces, according to figures released by Naval Headquarters.

Of the 807 officers and men listed as serving in H.M.C. Ships Cayuga, Sioux and Athabaskan, 648 were shown as coming from British Columbia, Alberta, Saskatchewan and Manitoba.

The figures were based on the home addresses given at the time of entry of each officer and man into the Navy.

The fact that most of the men in the destroyers' crews are westerners is attributable to the Navy's practice of assigning non-officer personnel, whose homes are in Western and West-Central Canada, to West Coast ships and establishments, and those from Eastern Canada to East Coast ships and shore bases.

CANADA'S POPULATION NEARS 14,000,000

INCREASES 296,000 IN 12 MONTHS: Canada's population is getting close to 14,000,000. At June 1 this year it reached 13,845,000, an increase of 296,000 in the 12 months from June 1, 1949, when it stood at 13,549,000, according to the annual census-date estimate of the Bureau of Statistics.

Quarterly estimates by the Bureau during the last year showed increases of 87,000 from June 1 to September 1, 1949; 71,000 from September 1 to December 1; and 59,000 from December 1 to March 1 this year, while the annual June 1 figure indicates a gain of 79,000 in the three months from March 1.

The estimate for June 1 shows increases during the 12 months in all provinces. Largest numerical increase was 101,000 for Ontario, followed by a gain of 89,000 in Quebec, and 24,000 each in Alberta and British Columbia. The population of Manitoba rose an estimated 17,000; Nova Scotia and Saskatchewan, 13,000 each; Newfoundland, 7,000; New Brunswick, 6,000; and Prince Edward Island, 2,000.

Estimates for the provinces and territories, with 1949 figures in brackets, are as follows: Newfoundland, 355,000 (348,000); Prince Edward Island, 96,000 (94,000); Nova Scotia, 658,000 (645,000); New Brunswick, 522,000 (516,000); Quebec, 3,976,000 (3,887,000); Ontario, 4,512,000 (4,411,000); Manitoba, 795,000 (778,

000); Saskatchewan, 874,000 (861,000); Alberta, 895,000 (871,000); British Columbia, 1,138,000 (1,114,000); Yukon, 8,000 (8,000); Northwest Territories, 16,000 (16,000).

Canada's population in 1941, according to the census of that year, was 11,507,000. In the nine years it has thus risen 2,338,000, with the entry of Newfoundland last year accounting for 348,000 of that total. Excluding Newfoundland's addition, the largest net increase in these years and the largest on record was 318,000 in the 12 months ending June 1 last year. In the previous year the increase was 301,000, or slightly more than that shown by this year's estimate, which covers 10 as against the former nine Provinces.

The Bureau's estimate results from a population accounting which starts with the 1941 Census, adds birth and immigration and deducts deaths and emigration for the subsequent nine years. For each province an attempt is made to follow the same method as for Canada, but the figures on migration used are less complete. During the five years subsequent to the 1941 Census the only available material on inter-provincial migration was the counts of successive ration books; since 1947 the labour force survey has estimated inter-provincial movement.

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T. & C. TOP STAFF CHANGES: Resignations of J.S. Irvin, Director of the Emergency Import Control Branch, W.E. McDermott, Director of the Import Allotment Division, and G.B. Greene, Assistant Director of the Allotment Division, were announced on July 31 by the Minister of Trade and Commerce, Mr. Howe.

These resignations will take effect August 1, when all three officers leave to take important positions in private industry.

Mr. Irvin will be joining the Steel Equipment Co. Ltd., Mr. McDermott the Reo Motor Co. as Assistant to the Vice-President and General Manager at Leaside, Ontario, and Mr. Greene will become Ottawa representative of the Sheridan Equipment Co.

"They have all served the Department during a very critical period, and their work has been of great value to Canada" said Mr. Howe. "We are genuinely sorry to see them go, but we gain satisfaction from the fact that private industry in Canada will continue to benefit still more directly from their services."

W.F. Bull, in addition to his duties as Director of the Commodities Branch, has been appointed Director of the Emergency Import

Control Branch. E.J. McWilliams has been appointed assistant Director of the Emergency Import Control Branch. A.F. Cunningham, in addition to his duties as Director of the Projects Division, has been made Director of the Allotment Division.

Since joining the Department of Trade and Commerce in 1929, W.F. Bull has served in the Trade Commissioner Service abroad, and in executive positions in Ottawa. In 1945, he was appointed Director of the Export Division, and in 1949 was made Director of the Commodities Branch.

Born in Toronto, E.J. McWilliams served in the R.C.A.F. during the war. He was with the Personnel Department of the War Assets Corporation in Montreal and Ottawa, 1945-48, and then joined the Emergency Import Control Branch of the Department of Trade and Commerce.

A.F. Cunningham served overseas with the R.C.A. in the first world war. He was employed in the paint and varnish industry, 1920-39; the Department of Munitions and Supply, 1939-44; the War Assets Corporation, 1944-48, and then joined the Emergency Import Control Branch of the Department of Trade and Commerce.

EXPORTS AT PEACETIME PEAK VALUE

RECORD SALES TO U.S.: Boosted by a sharp gain in June, Canada's domestic exports in the first six months of 1950 reached a peacetime record value of \$1,430,600,000, slightly above the previous peak for the first half-year of \$1,424,600,000 in 1949. The value for June was \$289,200,000 -- highest so far this year -- as compared with \$287,000,000 in May, and \$255,100,000 in June last year.

Both in June and the half-year the values of exports to the United States were at the highest levels in the history of Canada-United States trade. In the half-year exports to the United States accounted for 63 per cent of total exports as against 48.5 per cent for the same 1949 period. On the other hand, the value of shipments to the United Kingdom, other Commonwealth countries, Latin America and European countries were lower in value, alike in the month and cumulative period.

SHIPMENTS TO U.S.

Shipments to the United States rose in the half-year to \$904,949,000 from \$690,860,000 in the corresponding period of 1949, a gain of 31 per cent. Value for June was \$177,742,000 compared with \$113,856,000 a year earlier, a gain of no less than 56 per cent.

There were widespread increases among the commodity groups of exports to the United States both in the month and half-year, only one group -- miscellaneous commodities -- being lower. Most marked gain in the six months was registered by the wood and paper group -- by far the largest of the nine main groups -- which rose from \$327,672,000 in 1949 to \$450,377,000. Non-ferrous metals advanced from \$98,375,000 to \$124,760,000, animal products from \$81,740,000 to \$110,807,000, and iron and products from \$62,043,000 to \$65,544,000.

Half-year exports to the United Kingdom fell to \$235,917,000 from \$335,604,000 last year, and in June to \$52,472,000 from \$60,718,000. There were declines in the six months in

six of the nine main commodity groups. Agricultural and vegetable products -- largest of the nine -- fell from \$171,589,000 to \$126,781,000; non-ferrous metals -- second largest -- from \$77,995,000 to \$52,549,000; and wood and paper products from \$36,932,000 to \$12,993,000. Animals and animal products advanced from \$25,518,000 to \$28,080,000.

Shipments to other Commonwealth countries fell in the six-month period from \$158,600,000 in 1949 to \$100,992,000, and in June from \$30,411,000 to \$19,781,000. In the half-year, exports to the Union of South Africa were reduced from \$40,667,000 to \$22,863,000, India from \$41,837,000 to \$14,629,000, Australia from \$16,639,000 to \$16,431,000, and New Zealand from \$6,529,000 to \$4,839,000.

LATIN AMERICAN COUNTRIES

Exports to Latin American countries were moderately lower in the six months at \$60,825,000 compared with \$63,072,000, and in June stood at \$13,949,000 compared with \$14,628,000. In the half-year there were increased shipments to Argentina, Colombia, Cuba, and Venezuela, but decreases to Brazil, Chile, Mexico, Panama and Peru.

Exports to European countries were down sharply in the month and six months. In June the value fell from \$27,279,000 to \$14,422,000, and in the cumulative period from \$114,312,000 to \$74,181,000. Among the larger markets, there were reduced shipments in both periods to Belgium and Luxembourg, France, Germany, Italy, Netherlands, Norway, Portugal and Switzerland.

Exports to other foreign countries in the six months were down to \$46,004,000 from \$46,840,000, but were up in June to \$9,337,000 from \$7,400,000. Exports were higher in the half-year to Japan, Israel, and the Philippine Islands, but lower to China, Egypt, Indonesia, and Turkey.

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WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on July 13 amounted to 99,633,800 bushels as compared with 101,652,500 a week earlier and 59,794,100 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces during the week amounted to 2,735,200 bushels as compared with last year's corresponding total of 1,134,100. Cumulative total for the period August 1 - July 13 was 305,115,000 bushels as against 282,340,700 in the similar period of the preceding crop year.

Overseas export clearances of wheat during the week ending July 13 amounted to 2,635,600 bushels, showing a sharp decline from last year's corresponding total of 5,210,600 bush-

els. Cumulative total for the crop year to date aggregated 156,884,100 bushels against 169,099,600 in the similar period of 1948-49.

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APPOINTMENT OF CONSULS-GENERAL: The Department of External Affairs announced on July 27 the appointment of Mr. Edmond Turcotte as Consul-General in Venezuela. Mr. Douglas S. Cole, who is now Commercial Counsellor at the Canadian Embassy in Mexico, will succeed Mr. Turcotte as Consul-General in Chicago. Both Mr. Turcotte and Mr. Cole are expected to return to Ottawa before leaving for their new positions some time in September.

PRODUCTION

The value of products manufactured by dairy factories in Canada showed a further marked rise in 1948 to a new peak total of \$438,496,000, up \$86,123,000 or 24 per cent over the previous record established in 1947. The 1948 aggregate value was more than three times the 1939 total of \$135,813,000.

Domestic production of synthetic rubber moved higher in May, totalling 10,626,600 pounds as compared with 10,313,000 in the preceding month, and reclaim to 976,600 pounds from 768,100.

Output of 11 of 16 of Canada's leading minerals was higher in April and the first four months of this year than in the corresponding periods of 1949, according to figures released by the Bureau of Statistics.

The value of pelts of fur-bearing animals taken in Canada from wild life and fur farms in 1948-49 was \$22,900,000, the lowest total since the 1940-41 season and a decrease from the preceding year of 29 per cent.

Production of refined petroleum products rose almost 32 per cent in February over the corresponding month last year, while the inventories at refineries at March 1 were down eight per cent from last year. The month's output amounted to 6,701,314 barrels as compared with 5,848,860 a year ago, and the March 1 stocks totalled 12,948,642 barrels against 14,099,067.

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BORDER TRAFFIC OFF: Highway traffic entering Canada from the United States in May was one per cent lower in volume than in the same month last year. This decrease followed an unbroken series of month-to-month advances commencing in November, 1948. A drop of three per cent in the volume of United States vehicles entering Canada during the month more than balanced a gain of five per cent in Canadian traffic returning from the United States.

Total border crossings in the month were 809,700 as compared with 816,300 in the corresponding month last year. United States vehicles numbered 561,500 as compared with 579,100, and returning Canadian vehicles totalled 248,300 as compared with 237,200.

In the first five months of 1950, border crossings aggregated 2,865,000 as compared with 2,757,300 in the corresponding period of 1949. United States vehicles in the five months totalled 1,901,600 as compared with 1,894,300, and Canadian vehicles returning totalled 963,400 as compared with 863,000.

CANADA-FRANCE AIR SERVICE: A bilateral agreement for air services between Canada and the Republic of France was signed on August 1 in Ottawa. The Minister of Transport, Mr. Chevrier, signed on behalf of Canada while Mr. Jean Basdevant, Chargé d'Affaires ad interim of the French Embassy in Ottawa, signed on behalf of his Government.

The agreement provides for direct carriage of traffic between Canada and France. Montreal and Paris have been designated as the airports at which France and Canada may exercise their respective traffic rights.

It is understood that Air France, the airline which will be designated by the French Government to operate the Paris-Montreal route, has already opened an office in the new International Aviation Building in Montreal and plans to inaugurate commercial flights in the early autumn of this year. Trans-Canada Air Lines, which will be designated as the Canadian airline to operate on this route, is surveying the possibility of initiating operations some time prior to the main summer traffic season of 1951.

The inauguration of these air routes will serve to cement the good relations which have existed between Canada and the Republic of France for so many years.

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LABOUR INCOME ADVANCES: Labour income continued to move upward in April, when the estimated total of salaries, wages and supplementary income amounted to \$642,000,000, an increase of \$9,000,000 over March and \$32,000,000 or five per cent greater than the estimated total of \$610,000,000 in April, 1949. During the four months ending April, estimated labour income rose to \$2,520,000,000 from \$2,428,000,000 in the similar 1949 period, or by nearly four per cent.

Seasonal influences affected the rise in April over March. With the opening of navigation, employment in water transportation showed an increase which contributed to an advance of \$3,000,000 in utilities, transportation, communications and storage. Construction was higher by \$2,000,000; manufacturing by \$1,000,000; and finance and services by \$3,000,000. On the other hand, the primary industries total was unchanged, a sharp seasonal decline in logging employment resulting in decreased labour income in that field.

Compared with April last year, increases in labour income were general in the month. Labour income in manufacturing advanced to \$219,000,000 from \$213,000,000; in utilities, transportation, communication, storage and trade to \$171,000,000 from \$163,000,000; in finance and services to \$148,000,000 from \$134,000,000; in construction to \$41,000,000 from \$39,000,000; and in agriculture, logging, fishing, trapping and mining to \$41,000,000 from \$40,000,000. Supplementary labour income moved up to \$22,000,000 from \$19,000,000.

NATIONAL NOTES

General MacArthur's Tokyo headquarters announced on July 30 that three Canadian North Star planes had arrived to aid the United Nations in the defence of Korea.

Carloadings on Canadian railways during the week ending July 22 established a new record for the period at 80,663 cars, up 2,462 cars over the preceding week and 6,137 cars or eight per cent over the same week last year. Loadings have been well in advance of 1949 volume since the middle of May and for the last seven weeks have been at peak levels.

The Canadian Air Line Pilots' Association has proposed formation of a Canadian Air transport command to release R.C.A.F. personnel from transport duties.

The annual interchange of air cadets between Canada, Britain and the United States, sponsored by the Air Cadet League of Canada and the R.C.A.F., is under way.

Alex Skelton, 44, Canada's Assistant Deputy Minister of the Department of Trade and Commerce, has been drowned in a yachting accident at Lagos, Nigeria.

Col. F. X. Jennings, Director of Public Relations of the Canadian Army in the Second World War, and former Managing Editor of the Saint John Telegraph-Journal and Evening Times-Globe, died on July 30 at River Beaudette, Soulanges County, Quebec.

Mrs. Vincent Massey, wife of the Right Honourable Vincent Massey, Chancellor of the University of Toronto, and former High Commissioner to the United Kingdom, died at Port Hope, Ontario, on July 30.

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INVENTORIES LOWER: The value of inventories held by Canadian manufacturing establishments was lower at the end of May, declining 1.2 per cent from April and 3.7 per cent from the corresponding month last year, according to index numbers compiled by the Bureau of Statistics. The May index, on the base 1947=100, stood at 126.1 as against 127.6 for April, and 131.0 for May last year.

The consumer's goods index, at 131.2, was down 1.9 points from April, and 0.5 points lower than last year. In the capital goods group the index remained unchanged between April and May at 94.9, but was down 13.8 points from May last year.

FREE X-RAY FOR IMMIGRANTS: Arrangements have been completed to provide free X-ray examination for prospective immigrants from the British Isles and France, it was announced on August 4 by the Minister of Citizenship and Immigration, Mr. Harris. Free X-ray facilities will be available through Immigration offices at London, Liverpool, Glasgow, Belfast, Dublin and Paris. While free medical examination has been supplied at these points for several years, prospective immigrants were required to pay the cost of X-ray examination themselves.

By providing free X-ray examination the Canadian Government is taking a practical step to make it easier for intending immigrants, particularly heads of family units, to complete the necessary arrangements for emigration to Canada.

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SEA FISH LANDINGS HIGHER: June landings in the sea fisheries of Canada -- not including Newfoundland -- amounted to 128,131,000 pounds valued at \$7,985,000, showing an increase of 6.9 per cent in quantity and an advance of 26.5 per cent in value over June last year. Including the value of supplementary landings, the aggregate for June this year was \$8,205,353.

In the first half of 1950, landings of sea fish rose to 527,555,000 pounds from 470,867,000 in the corresponding period of 1949, and the value advanced to \$24,079,000 from \$19,962,000.

Most of the gain in landings and landed value in June occurred on the Pacific Coast, where 18,321,000 pounds were landed as compared with 11,409,000. The value was \$3,095,000 as against \$1,725,000.

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WOOLLEN TEXTILE INDUSTRY RECORD: The gross value of products manufactured by the woollen textile industries of Canada in 1948 reached an all-time high figure of \$142,323,000. This was almost 14 per cent above the previous peak total of \$125,039,000 shown for 1947, and was three and one-third times as large as in 1939.

The industry provided employment for 18,590 persons in 1948, practically the same as in 1947, but salary and wage payments rose from \$29,371,400 to \$34,080,800. Cost of materials used advanced from \$67,236,000 to \$79,088,400.

Woven suitings, dress goods, overcoatings and cloakings (wool or containing wool), which together represent the industry's most important item of production, were produced to the extent of 24,368,700 yards in 1948 as against 26,022,300 in 1947. The value was \$58,247,500, up \$5,062,300 over the preceding year. Production of carpets, mats, rugs and other floor coverings also rose, and the value advanced to \$11,544,000 from \$8,688,000. In 1948 the output of felt was valued at \$9,927,000, an increase of \$1,037,000 over 1947.

U. S. - CANADA COMMITTEE MEETING: The Joint United States-Canada Industrial Mobilization Planning Committee will meet in Ottawa on Tuesday, August 8. This Committee was authorized by an exchange of notes between the two countries in April, 1949, and the first meeting was held in Washington in June of the same year.

The members are: Mr. W. Stuart Symington, Chairman of the National Security Resources Board, and Mr. Hubert E. Howard, Chairman, Munitions Board, for the United States; and Mr. H. J. Carmichael, Chairman, Industrial Defence Board, and Mr. Sydney D. Pierce, Associate Deputy Minister, Department of Trade and Commerce, for Canada. Mr. Carmichael will act as Chairman.

This, the second regular meeting, is taking place in an atmosphere of intensified preparedness occasioned by the Korean war and the participation of United Nations forces in the Korean action.

The Committee is expected to evaluate the work of its sub-committees over the past year and to outline and discuss future joint activities in the industrial mobilization planning field. The question of joint studies on basic industrial programmes will probably be raised and such matters as joint action on requirements, priorities, allocations and export controls will receive attention. Consideration may also be given to the establishment of principles which might define and motivate the joint use of materials and resources as between the two countries in the event of a major conflict.

The change of approach adopted in the Military Production and Supply Board of the North Atlantic Treaty Organization toward military production and supply problems in their recent meetings in Copenhagen may condition the joint United States-Canada discussions of production and supply problems at this meeting.

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WHOLESALE SALES HIGHER: Dollar volume of wholesale sales was higher in May, increasing 15 per cent over April and six per cent above May last year, according to reports submitted to the Bureau of Statistics by 368 wholesalers in nine lines of trade. Cumulative sales for the first five months of this year practically equalled the dollar volume in the corresponding period of 1949. The general unadjusted index of sales, on the base 1935-39=100, stood at 320.9 for May, 278.9 for April, and 303.0 for May last year.

EMPLOYMENT HIGH: During the first two weeks of July there was a further decline in the number of registrations on file at National Employment Service Offices, the Department of Labour announced on August 2.

As at July 13, there were 183,000 applications for employment, a decline of more than 21,000 during the previous two weeks. The July 13 figure represents a drop of 252,000 from the peak registration figure of 435,000 at April 6 of this year, and is only 38,000 higher than the 145,000 total at the same date in July, 1949.

Employment has reached an all-time high in an increasing number of industries, and shortages of some types of workers have developed. During the first half of July, skilled construction workers were becoming increasingly scarce and farm help was not too plentiful in some areas.

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U. K. DEFENCE COLLEGE VISITORS: Fifteen members of the student body and directing staff of Britain's Imperial Defence College will arrive in Ottawa, Sunday, August 13, by air from England on a 24-day tour of Canada from coast to coast, the Minister of National Defence, Mr. Claxton, announced on August 3.

A similar party from the College came to Canada last year, visiting and inspecting industrial plants and defence installations in the larger centres and in the north. Almost the same cities and stations are to be included in this year's tour, and a week will be spent in the United States before the party returns to the United Kingdom from Montreal on September 1.

The College annually sends its students on summer tours and this will be the second of Canada, half the class coming here and the remainder visiting the Middle East and Germany. The Canadian party is to be headed by two members of the directing staff: Air Vice Marshal W. L. Dawson, CB, CBE, DSO, RAF instructor, and Mr. J. G. Ward, CMG, BA, civilian member.

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WOLVES, CHIPMUNKS FOR ENGLAND: Seven wolf pups and fourteen chipmunks, donated by the federal Department of Resources and Development, to the Dudley Zoological Society in Worcestershire, England, were shipped from Montreal recently. The wolves were captured in Prince Albert National Park, Saskatchewan, and the chipmunks in Georgian Bay Islands National Park, Ontario.



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WEEK'S EVENTS IN REVIEW

THE DEATH OF MR. KING: The Right Honourable W.L. Mackenzie King, former Prime Minister, died on Saturday evening, July 22, at his summer home, Kingsmere, in the Gatineau Hills. His death followed an attack of acute pneumonia, suffered late on the afternoon of July 20.

Mr. King was succeeded as Prime Minister by Mr. Louis St. Laurent on November 15, 1948, after having served as Prime Minister an aggregate of 21 years, five months and five days. He had surrendered the leadership of the Liberal Party on August 7, 1948, 29 years after assuming it. Neither of these records of service had been exceeded in a British Commonwealth country. Mr. King's long Parliamentary career terminated with the dissolution of Parliament on April 30, 1949.

From the morning of July 23 until the morning of July 25 the remains rested at his Ottawa residence, Laurier House, where close personal friends paid their last respects. They were removed on the morning of July 25 to the Hall of Fame in the Centre Block of the Parliament Buildings to lie in state until Wednesday afternoon, July 26. Tens of thousands of citizens filed past the bier in the Parliament Buildings.

Through Ottawa streets lined with 50,000 people the state funeral procession moved on Wednesday afternoon to St. Andrew's Presbyterian Church where Mr. King had long worshipped. Four mounted policemen in scarlet, flanked by 32 pallbearers, headed by the Prime Min-

ister, Mr. St. Laurent, led the procession down Parliament Hill. Behind a tri-service Guard of Honour followed hundreds of official mourners, Members of Parliament, the diplomatic corps, the clergy, the judiciary and ordinary citizens.

In historic St. Andrew's Church, where touching eulogy to the late Prime Minister was spoken by Rev. A. Ian Burnett, minister of St. Andrew's and close friend and confidant, Mr. King's regular pew was empty and draped in black. The Governor General and Lady Alexander were among those present at the service.

Following the service the cortège again moved at the slow march through lines of sorrowing citizens to the Union Station where the body was placed aboard a special train for Toronto for interment in the family plot in Mount Pleasant Cemetery on the morning of Thursday, July 27.

Tributes to the memory of the late Prime Minister had poured in from Their Majesties, the King and Queen, from heads of Governments and prominent statesmen and dignitaries all over the world, from leaders of federal opposition parties in Parliament, provincial Premiers and prominent citizens everywhere.

The final sentence of the public tribute paid by the present Prime Minister, Mr. St. Laurent, was:

...."Today the Government of our country has lost its wisest counsellor and the people of Canada their greatest public servant."

CANADA'S DEFENCE NEEDS

MR. CLAXTON'S RADIO SPEECH: The Minister of National Defence, Mr. Claxton, in a broadcast over the Trans-Canada Network on July 20, appealed for recruits for the Armed Services and explained the steps which were being taken to strengthen the Navy, Army and Air Force.

"This doesn't mean that we expect another world war," he said, after explaining the various details. "It does mean that by being in as good a state of preparation as the resources made available permit, we will be doing our part to prevent war."

The partial text of the Minister's address is as follows:

"...In his statements the Prime Minister has put our present position in very clear terms. That position may, of course, change. As a matter of fact, since the end of the Second World War change is about the one thing we can count on as a certainty.

"In the meantime, and as an immediate step, we are going to press on with the recruiting, training and arming of our forces so as to be as ready as time and money permit to meet whatever emergency or development the future may hold.

"At the present time we have in the full time active Navy, Army and Air Force a total of about 47,000 men. Circumstances now justify the recruiting of additional men without any stated ceiling. Let me tell you the special purposes for which we want these additional men.

"First, in the Navy, we want to commission, that is, make active, more ships - including the destroyers 'Crescent' and 'Crusader' on the west coast. We also shall bring up to full complement all our fighting ships. In addition to the three destroyers in the far East, we shall have the 'Magnificent' and two more destroyers on a training cruise in the North Atlantic and eight other ships will be carrying on training of new entries, reserves and officer cadets in Canadian waters.

"In the Army, we want men to bring up to full strength the famous units of the brigade group - the Princess Patricia's, the Lord Strathcona's, the Royal Canadian Regiment, the Royal 22e Regiment, the Royal Canadian Dragoons, as well as the artillery, engineers and other units.

"In this connection we are adding to our Ac-Ac artillery...

"For the Air Force, we want men for technical trades, particularly radar, and also we need a number of especially fit young men between 18 and 21, having at least a junior matriculation, to qualify for aircrew on a short service plan of from 18 months up to 5 years, with the possibility, if they have the general background and capacity, of having a continuing career in the Air Force.

"The kind of men we want for all three services are between 18 (or in some cases 17 with parents' or guardian's consent) and 29, single, having the equivalent of at least a ninth grade education. They would sign on for three years in the Army and five in the other services, with re-engagements if they liked it and were needed, for additional periods of five years....

"What is the object of these active, full time personnel? First, it is to provide the minimum forces necessary to defend Canada from immediate attack on the scale that our military advisors inform us we might expect as part of a general war. Then, it is to provide the organization - administrative and training staffs - the leadership and the housekeeping services for the active forces themselves, for the reserve forces and also for very much larger forces should it become apparent that we are moving into a general conflagration....

"I believe the Canadian forces today are as fine and fit a body of men as we have ever had under our colours at any time....

"In addition to wanting men for the active forces, we want men of just about the same standards for the reserve forces....

"In the all-important field of officer training we have set what I believe to be as high standards as in any country in the world. We want them to have the equivalent of a university training and a year of practical work. We have over 5,000 men training to these standards today.

"In addition to increasing personnel, we are accelerating production of the F-86 and our own CF-100. This twin-engine, all-weather, jet fighter is unquestionably some time in advance of all other aircraft in this particular field. Because it's a success, I am now announcing for the first time the name we have chosen for it, 'the Canuck' - a thoroughly good Canadian product of Canadian workmen and engineers and members of the R.C.A.F.

"We will press on with the development of other equipment....

"This doesn't mean that we expect another world war; it does mean that by being in as good a state of preparation as the resources made available permit we will be doing our part to prevent war. And we don't regard this preparation as an end in itself. We look forward to the day when it will not be necessary to spend over 20% of our national budget on defence, to the day when nations and men will feel secure to work together to enjoy measures of prosperity and security we know we can have. The one thing that is preventing that today is the Communist appetite for power. Unfortunately, the brutal fact is that until that changes we and other peoples who love our countries and cherish our freedoms must be prepared to do whatever is necessary for their defence...."

MARINE SEARCH, RESCUE SYSTEM: Government operated ships numbering more than 200, are being co-ordinated into a general marine search and rescue system in Canada, it was announced jointly on July 21 by the Minister of National Defence, Mr. Claxton, and the Minister of Transport, Mr. Chevrier.

The announcement said that "the Government has adopted the recommendations of an inter-departmental committee appointed to review arrangements for marine search and rescue services" and that the Royal Canadian Air Force has been "designated as the co-ordinating agency". The announcement further stated the committee was satisfied that "the enlarged system of co-ordination of rescue services would be both adequate and efficient".

The committee found that the system of co-ordination of marine search and rescue now being carried out by the R.C.A.F. Rescue Co-ordination Centres at Halifax and Vancouver is "basically satisfactory" and has made some recommendations in order "that this service might be improved" says the joint announcement.

NUCLEUS AVAILABLE

The Royal Canadian Navy, the Royal Canadian Air Force, the Royal Canadian Mounted Police, the Department of Transport, the Department of Mines and Technical Surveys, the Department of Fisheries and other governmental agencies operate vessels of various types and sizes on the two coasts. In the opinion of the committee "there is sufficient number of such ships available in each area to provide a nucleus for marine search and rescue service". The committee felt that "even the less suitable vessels would be able to assist materially in saving life until the arrival of a more suitable ship capable of rendering any further assistance required by the emergency".

The Royal Canadian Air Force, which has been responsible for search and rescue service to aircraft in distress, has made its facilities in Halifax and Vancouver available for co-ordinating the provision of assistance to vessels as well as aircraft in distress in the east and west coast areas. The Committee urges that all interested agencies be made "aware of the action to be taken in the event of emergency and the public of the necessity of notifying the appropriate R.C.A.F. Rescue Co-ordination Centre of any casualty".

The Marine services operated by government departments will keep the R.C.A.F. Co-ordination Centres "informed of the movements and state of readiness of their ships". In its capacity as co-ordinating authority, the R.C.A.F. will inform the nearest and most suitable government ship of any casualty. Such ships are required to take the "immediate action necessary to ensure the safety of life and if possible to prevent the damage to or loss of any ship or cargo until such time as private or commercial salvage vessels are available for this purpose".

The R.C.A.F. already has at Vancouver and Halifax major operational search and rescue centres with radio communication to other government services and agencies as well as to ships and aircraft at sea and centres in the United States. Other R.C.A.F. centres in Canada are similarly in communication with other agencies through the inter-service communications net across Canada.

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HUDSON BAY NAVIGATION: Extension of the navigation season in Hudson Bay by ten days was announced on July 20 by the Minister of Transport, Mr. Chevrier. The announcement was based on advice received from London extending marine insurance rates for vessels entering Hudson Bay ten days earlier than in former years.

The Minister's announcement states that minimum additional marine insurance premiums on ships bound for Churchill will apply to vessels passing Cape Chidley on and after July 26. The earliest date this insurance applied in former years was August 5. The latest date for vessels to leave the port of Churchill is October 10 as in former years.

In making this announcement, the Minister of Transport expressed appreciation of the representations made on behalf of the Department by the Commonwealth Shipping Committee to the London Board of Underwriters and also the helpful action by the underwriters in extending the navigation season.

While advancing the insurable period of navigation in the Hudson Bay, the London Board of Underwriters stipulates that no vessel shall proceed past Cape Chidley except by permission of the Department of Transport patrol vessel during the period from July 26 to August 10, inclusive.

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EMBARGO ON SHIPMENTS TO N. KOREA: Effective immediately, Canada has placed a complete embargo on all shipments to North Korea through the rigid application of area control under the Export Permit Regulations, the Minister of Trade and Commerce, Mr. Howe, announced on July 21. All outstanding export permits for this area have been declared invalid.

Great Britain, the United States and Australia have taken similar action in the past few days.

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CARLOADINGS: Carloadings on Canadian railways during the week ended July 15 were a near record for the week at 78,201 cars compared with 73,210 in the same period last year and the peak for the period of 78,244 cars in 1947. The gain over 1949 was 4,991 cars or 6.8 per cent. The Canadian cumulative total from the first of the year to July 15 aggregated 2,024,090 cars as compared with 2,021,853 in the similar period of 1949.

NATO PILOT TRAINING HERE: First performed from the North Atlantic Treaty Organization nations to take air force training in Canada will arrive this month and actual training will start August 1, it was announced on July 21 by the Minister of National Defence, Mr. Claxton. Army personnel to take training under the scheme will arrive in September.

Approximately 250 personnel from six European nations will be trained here, including both air force and army students. Student pilots from France, Belgium, the Netherlands, Norway and Italy are scheduled to report to R.C.A.F. Station, London, Ont., for a six-week pre-flight course which starts August 1. About 50 student pilots are booked for training, although it is not expected that all will have arrived by August 1. A similar number of student navigators and up to 150 army trainees are scheduled to come to Canada for training. It is expected that Portugal will participate if arrangements can be worked out in time.

The pre-flight orientation course at London will if necessary provide a short technical vocabulary training. Purpose of the course is to minimize handicaps which might result from sudden entry into the intensive aircrew training courses under conditions unfamiliar to the students from abroad.

NATO pilot training will be given by the R.C.A.F. at its basic flying training school at Centralia, Ont., starting September 11. Training will be on single engine Harvards and will run for 37 weeks. Student navigators are scheduled to start navigation training at the Air Navigation School, Summerside, P.E.I., October 9, their course also covering 37 weeks.

Canada's offer to the nations signatory to the North Atlantic Treaty was announced by Mr. Claxton last March as a concrete means of aiding in the military training programme of those nations and of familiarizing officers of the various countries with one another and with another part of the North Atlantic area.

Under the offer the nations sending army and air force trainees will continue to provide pay and allowances, clothing, transportation to and from Canada and personal expenses. Canada will provide food, accommodation, transportation within Canada, normal hospital and medical services, in addition to all the costs of training.

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EXERCISE "SHOO FLY": "Shoo Fly," a small-scale exercise involving one officer and 10 other ranks of the Royal Canadian Regiment, started this week in the area of Fort Churchill, Man., and will continue until August 2, Army H.Q. announced on July 21.

The exercise is expected to bring to light the problems an infantry section would encounter in the Arctic during the summer while moving in a reconnaissance role. It is also hoped to determine the clothing and equipment requirements of a small force of this nature,

and during the course of the exercise various types of gear and supplies will be given rigid tests.

Army officers feel that the exercise has been aptly named. Millions of insects swarm the area, and emphasis will therefore be on the testing of anti-insect clothing, spray guns and insecticides.

The section has established a small base at a lake approximately 10 miles from Churchill, and regular reconnaissance patrols will operate from the lake in a radius of 15 miles, traversing all types of terrain found in the area. This includes bush country, barrens, muskegs, lakes, streams and eskers.

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EMPLOYMENT PICTURE IMPROVED: Increased seasonal activity in construction, agriculture and transportation, and a heavy demand for many Canadian products in the United States, were reflected in a steady improvement in the employment situation in the latter half of June in almost all sections of the country. Although the labour force is increasing at this time of year, as large numbers of students begin looking for work, the total number of registrations on hand at National Employment Service offices continued to fall from 220,400 on June 15 to 204,600 at the end of the month. This was 57,400 above the total for the same week last year, the Minister of Labour, Mr. Mitchell, has announced.

As employment in construction and agriculture moved steadily upward to their seasonal peaks, shortages of certain types of workers persisted in these industries in some areas. Experienced farm help remained in short supply in many sections of eastern Canada, and a shortage of skilled construction tradesmen continued, particularly in the larger centres, such as Montreal, where a heavy building programme is under way.

The substantial increase in exports to the United States helped maintain high levels of employment in industries such as metal mining and pulp and paper, whose chief markets are in the United States. The increased demand for pulp and paper products has made necessary a larger summer cut of pulpwood logs than was anticipated earlier, and this has increased woods employment in both the Maritimes and Quebec: shortages of experienced wood workers have appeared in certain areas. It is now expected that employment in pulpwood cutting this coming season will be substantially above that of last winter.

The heavy United States demand for Maritime lumber has reversed the downward trend in production and employment which had been in effect in this industry. Employment in the Maritime lumber industry is now expected to approach the 1949 level. This rapid increase in the demand for one of the leading products of the Maritimes has stimulated the economy of the whole region.

Employment in manufacturing generally continued close to last year's level. Sawmills, pulp and paper mills, automobile and electrical apparatus plants, are increasing their staffs. Employment also increased in some heavy iron and steel plants in Quebec. On the other hand, leather and rubber goods plants and some textile companies were still on short-time, and the agricultural implements industry was releasing workers, as production declines from its seasonal peak.

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UN TRANSPORT SQUADRON ARRANGEMENTS: The R.C.A.F.'s 426 Transport Squadron, designated to aid in the Pacific airlift in support of United Nations forces in Korea, is to operate between McCord Field, Tacoma, Washington, and Tokyo, it was announced on July 21 by Air Force Headquarters. The squadron will fly under the operational control of United States Military Air Transport Service and normal administrative control of the squadron will remain with Air Transport Command, Rockcliffe, Ontario.

The squadron will move as a unit from its home base at Dorval, P.Q. to McCord Field, with six North Stars being slated to make the first flight to the west coast. The squadron is ready for an immediate move, but is holding at its Dorval base until arrangements can be made at McCord Field. Two more North Stars are expected to follow within a week of the departure of the first six.

GREAT CIRCLE ROUTE

The aircraft will fly the Pacific airlift, taking the great circle route over the Aleutians, a distance of about 4500 miles, calling for approximately 22 hours flying time. In addition to these aircraft, which will fly the airlift proper, two more North Stars will operate between Dorval and Tacoma, providing logistic support for the operation.

It is expected that the first flights over the Pacific by the R.C.A.F. aircraft may be made within several days of arrival at McCord Field.

Nearly 200 groundcrew and 100 aircrew will be flown to McCord Field, with equipment required to maintain the aircraft. Most of the groundcrew will remain at McCord Field, where the squadron will set up temporary headquarters, but a small number may be placed at Tokyo, the Far Eastern turn-about point, and at touch-down points in Alaska.

A small portion of 426 Squadron will remain at Dorval to carry on essential re-supply runs to isolated northern bases and to give familiarization training to air crews intended as replacements on the Pacific operation.

Each of the big four-engine North Stars flying the run will have two complete flight crews, made up of four aircrew personnel and two crewmen, who will serve as flight engineer and air cargo superintendent.

LABOUR FORCE 4,818,000: Results of the quarterly survey by the Bureau of Statistics indicate that Canada's total civilian labour force at the beginning of June this year was practically unchanged from a year earlier, with the number of persons with jobs slightly less than last year and the number without jobs and seeking work slightly larger. The number not in the labour force, and consequently the total non-institutional civilian population 14 years of age and over, was substantially greater.

Due to conditions caused by the Red River floods, Manitoba was not included in the latest survey, which covered the week ending June 3, and Newfoundland was not covered in the survey of June, 1949. Thus completely comparable data are available only for the other eight Provinces.

For these eight Provinces, the survey indicates a total labour force of 4,818,000 in June this year, up slightly from 4,814,000 in June a year ago. Of this total, persons with jobs numbered 4,695,000 as compared to 4,716,000 last year, and persons without jobs and looking for work 123,000 as against 98,000. The number of persons 14 years of age and over not in the labour force was 144,000 greater than last year, totalling 4,083,000 as compared to 3,939,000. Total non-institutional civilian population of the eight Provinces thus increased 148,000 to 8,901,000 from 8,753,000.

While up over June last year, the number of persons without jobs and seeking work in June this year shows a sharp seasonal decline from 269,000 in the week ended March 4 this year, date of the previous survey. In the same period the number with jobs increased about 250,000 from 4,444,000.

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1950-51 WHEAT PRICE: The Minister of Trade and Commerce, Mr. Howe, made an announcement on July 21 in regard to the price at which the Canadian Wheat Board will sell wheat for consumption in Canada during the crop year 1950-51. For the past several years the domestic price of wheat has been tied to the effective price under the Canada-United Kingdom Wheat Agreement. As this Agreement terminates on July 31, 1950, the Government has given consideration to the basis upon which the domestic price of wheat should be determined for the crop year commencing August 1, 1950.

It has been decided that effective August 1, 1950, the Canadian Wheat Board will sell wheat for consumption in Canada at the same price at which it is selling wheat for export under the terms of the International Wheat Agreement. For the crop year 1950-51 the International Wheat Agreement calls for a ceiling price of \$1.98 per bushel and a floor price of \$1.54 per bushel for No. 1 northern wheat in store at Lakehead or Vancouver basis Canadian funds. At the present time, the Board's selling price for wheat under the International Wheat

Agreement is \$1.98 for No. 1 northern wheat in store at Lakehead or Vancouver.

Under this arrangement, all the wheat which the Board will sell for consumption in Canada and all of the wheat which the Board will sell for export under the International Wheat Agreement during the crop year 1950-51, will be sold on the same price basis. The prices for export wheat sold outside the International Wheat Agreement will be those determined by market conditions at the time of sale.

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AUTO SALES AT PEAK: Both sales, and financing of sales of new and used motor vehicles showed further sharp gains in May over previous months this year and last to reach all-time record monthly levels. Passenger cars accounted for a major part of the rise in the month, but there were also substantial gains in sales and financing of commercial vehicles.

New vehicles sold in May totalled 40,582 as compared with 28,385 in the corresponding month last year, an increase of 43 per cent. The retail value for the month advanced almost 37 per cent from \$59,576,563 to \$81,578,306.

There were 13,448 new vehicles financed to the extent of \$18,477,964 in May, up sharply from the 8,222 units financed for \$11,819,237 a year earlier. Used vehicles financed in the month numbered 25,009 units involving \$17,073,800 as compared with 17,578 units financed for \$12,334,439 in May last year.

The high May sales raised new vehicle sales in the first five months of this year to 168,092 units from 109,892 in the like period of 1949, or by 53 per cent, while the value advanced from \$231,443,433 to \$336,021,879, or by 45.2 per cent.

New vehicle sales financed in the five months numbered 50,372 involving \$69,322,545 as against 29,918 units financed for \$43,093,359 in the same period of 1949.

New passenger car sales rose in the month from 19,692 units a year ago to 30,409, and the value advanced from \$40,397,359 to \$60,336,113.

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STRIKE LOSS HIGHER: Time loss due to work stoppages arising from industrial disputes during June, 1950, was slightly higher than in the previous month although the number of workers involved was considerably lower, according to a preliminary summary of strikes and lockouts issued on July 21 by the Minister of Labour, Mr. Mitchell.

Preliminary figures for June, 1950 show 27 strikes and lockouts in existence, involving 2,781 workers with a time loss of 30,152 man-working days, as compared with 23 work stoppages in May, 1950, with 3,488 workers involved and a time loss of 23,874 days. In June, 1949, there were 28 strikes and lockouts, involving 11,511 workers, with a time loss of 141,197 days.

ASSISTANCE TO UN IN KOREA: Following is the text of a letter delivered by John Holmes, Acting Permanent Delegate of Canada to the United Nations, to Trygve Lie, Secretary General of the United Nations, at Lake Success on the afternoon of July 21:

"I have the honour to acknowledge receipt of your message dated July 14, 1950, concerning additional assistance to the forces operating in Korea under authority of the Security Council's Resolution of June 27.

"I am instructed to inform you that the Canadian Government has given full and earnest study to the request contained in your message in the light both of the needs of the Korean situation and of the other interests and responsibilities of Canada.

"The Canadian Government understands that there is an immediate need for additional air transport. It has therefore decided to make available, at once, to the United Nations a long-range air transport squadron including ground crews of the Royal Canadian Air Force, for assistance in the Pacific air lift. In accordance with your suggestion, the detailed arrangements for the participation of this squadron will be made with the unified command established under authority of the Security Council.

"With respect to ground forces, for the reasons indicated in a statement issued by the Prime Minister on July 19 (of which I am enclosing a copy) the Canadian Government is unable, at this stage, to despatch existing first line elements of the Canadian Army to the Korean theatre.

"You will observe that in Mr. St. Laurent's statement reference is made to the Canadian Government's willingness to give consideration to participation in a United Nations force for service in Korea should a decision to that effect be taken by the Security Council.

"With respect to naval assistance, you are aware that three Canadian destroyers are already proceeding to Korean waters for service under the unified command.

"As you will observe from the Prime Minister's statement, the Canadian Government, having in mind its defence responsibilities, including those as a member of the United Nations, is taking immediate steps for strengthening and increasing its armed forces."

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RAIL REVENUES IMPROVE: Operating revenues of Canadian railways showed a marked rise in April over the corresponding month last year, and, with expenses at a lower level, the operating income for the month showed a betterment. Operating revenues in the month moved up to \$74,760,700 from \$72,669,800 a year earlier, and expenses fell to \$67,196,800 from \$67,661,000. Income from operations during the month rose to \$4,622,400 from \$2,437,000.

"CANADA AND THE KOREAN SITUATION"

MR. PEARSON'S ADDRESS: Canada's position in the Korean situation is dictated by the necessity of supporting United Nations' action, the Secretary of State for External Affairs, Mr. Pearson, stated in addressing a joint meeting of the Engineering Institute of Canada and the American Society of Civil Engineers in Toronto on July 14 on the subject, "Canada and the Korean Situation."

The transparent nonsense of the lie that war broke out in Korea as a result of an attack by South Koreans on North Koreans should be obvious even to Communists themselves, Mr. Pearson said. The south Korean forces were in no position to commit, with any possibility of success, any aggression, even if they had desired to do so. The United Nations' Commissioners, and not Moscow, had told the truth about Korea. It was on the basis of the facts revealed by them that the Security Council took the quick and decisive action that it did.

The Minister then proceeded, in part, as follows:

THE SECURITY COUNCIL

"...It is tragic that this action had to be taken by the Security Council, because it does mean armed police action which, in its turn - as we know already - means death and destruction. It would have been even more tragic, however, if the United Nations had defaulted on its clear-cut obligations to come to the defence of an attacked people, especially when quick and strong leadership was given in this undertaking by a great power which had forces in the area that could be made available to the United Nations for the restoration of peace. If the United Nations had failed at this time, the consequences would have been grave, not only for our world organization, but for peace itself. We would have once again repeated the performance of Abyssinia and Munich. In all the grim anxieties of the present situation, there is a gleam - more than a gleam - there is a promise of hope for the future in the fact that this time the collective conscience of the democratic world has expressed itself in action and not merely in words. The United Nations has intervened quickly and effectively, and collective security has been shown to mean something. The lesson of this can be read in other quarters where it perhaps needs to be read. If it is understood, we will have indeed struck a blow for peace.

"If only we could get across to those people whose governments have cut themselves off from the international community, that peace is all we have in mind; that there is no other purpose in this United Nations intervention but to stop aggression in Korea; that no one, least of all the leader in this collective action, the United States, desires for one

moment to exploit or extend this conflict, or to indulge in any action beyond that which is required to carry out the specific and restorative purposes of the Security Council resolution. That resolution has now received the approval of 53 states. They include many countries, and Canada is one of them, who resent and repudiate the charge that in doing our duty to the international community, and to peace, we are merely following the orders of a single member of the United Nations which has particular interests to safeguard in Korea. This is not the case. The people of Canada know that it is not the case....

"It is true that resolutions of the Security Council, of the kind passed on Korea, require the approval of seven members, including the votes of the permanent members of the Council. But it is equally true, though the Russians and their friends, of course, do not mention this now, that it has become a well established rule under the Charter that absence from the Council, or even abstention on a vote when present, cannot be considered as the application of the veto. The Soviet representative on the Security Council has himself abstained from voting on a number of occasions, and on no single one of these instances has the Soviet Union challenged the legality of the action taken by the Council. Indeed, on the contrary, the Soviet representative, Mr. Gromyko himself it was, has explicitly stated in the past that his abstention was not to be considered as a veto....

CANADA'S POSITION

"And what is Canada's position in all this? It is, I suggest, dictated by the necessity of supporting United Nations action. That is our only obligation, but it is one which we are discharging from considerations, both of national honour and of national safety. We have accepted that obligation as a Government, as a Parliament, and as a people, and we are discharging it. On this matter, we were united in the House of Commons and, I think, we are united, apart from the Communists, in the country. There may be, of course, a few who will argue that no Canadian interest is involved in Korea; that Korea is a country far away of which Canadians know nothing. There could be no reasoning more false than this. The terrible events of the last twenty years have shown us that there is no country far away from Canada and that there is no Canadian interest which matches our interest in peace. If that interest in peace is risked in Korea, or any other place, it becomes a matter of immediate concern to the Canadian people; for Canada, in this jet-propelled, atomic, interdependent age, cannot by itself remain secure and at peace in a warring world. And so it is a matter of primary Canadian interest, as it

is the interest of all free and peaceful peoples, that the collective police action of the United Nations should succeed.

"There are others who feel that we should, at once, mobilize all our strength for war and begin moving all our forces to the Pacific area. That, in my opinion, would be a very unwise thing to do in the present situation. Indeed, it is one that might give some satisfaction to those who would like to trouble the waters elsewhere so that they could fish in them.

"The Korean war may be a full tragedy itself; or it may be only the first act of a longer and far greater tragedy. Therefore, while we should be resolute in facing it, we should also be cool and far-sighted. At the moment, three modern Canadian war ships are on their way to become part of United Nations naval forces off Korea. We have been assured that they will provide effective assistance and they will soon be on the spot for that purpose, flying the flag of the United Nations alongside the flag of Canada. This is no mere token assistance. Nor is it assistance to any one State. It is a contribution to the United Nations for the restoration of peace in Korea. Our participation in this operation is for that purpose alone. But it is a high purpose. In this present contribution to its fulfillment, our sailors will find themselves under the operational leadership of a great American, General MacArthur, whose men, the men of the United States, are now bearing the burden and the heat of the conflict, with the courage and determination which one would expect of them....

NO SAFETY IN APPEASEMENT

"What of the future? He would indeed be rash who tried to predict it. A fire is raging and we don't know where the wind will blow it. But we know that we have reached the testing time - that we are facing trial by ordeal in the struggle between democratic freedom and Communist imperialism that has been going on for many years. We have learned - or if we have not we have been blind to all reality - that in this struggle against such ruthless forces, there is no safety in appeasement, as there is no sense in provocation. A steady and determined front against aggression, or threats of aggression, and the means to make that steadiness and determination effective, are what is required. This means rejecting alluring advice to isolate ourselves behind our boundaries and hope for the best; repelling the panicky counsels of impatient and bellicose men; welcoming any genuine move that may seem to promise peace but spurning phony overtures and appeals which conceal a bitter desire to weaken us so we can be destroyed...."

NATIONAL NOTES

Gleason Belzile, Liberal Member of Parliament for Rimouski and Parliamentary Assistant to the Minister of Finance, died on July 25 at his summer home in the St. Lawrence riverside resort of Notre Dame du Portage. He was 51.

The Minister of Trade and Commerce, Mr. Howe, has announced that Dr. T.W. Grindley, for reasons of health, has resigned as a member of the Canadian Wheat Board.

Canadian retail trade in May was six per cent greater in dollar volume than in May last year, 15 out of 20 trades and all regions except flood-stricken Manitoba reporting gains.

A summary of foreign trade figures for June shows a rise in Canada's total domestic exports to \$289,200,000 from \$255,100,000 for June 1949, and an increase in estimated total imports to \$282,800,000 as compared to \$250,500,000. Domestic exports to the United States increased to \$177,700,000 as against \$113,900,000, but declined to the United Kingdom to \$52,500,000 as compared to \$60,700,000. Estimated imports from the United States amounted to \$189,800,000 as compared to \$176,900,000, and from the United Kingdom to \$36,800,000 as against \$27,000,000.

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WHEAT ACREAGE DOWN SLIGHTLY: The area seeded to wheat in Canada this year is estimated at 26,964,200 acres, a decrease of about two per cent from the estimated total of 27,540,700 acres sown last year, according to the Bureau of Statistics. The area sown to oats is up two per cent, barley 10 per cent and flax seed 70 per cent. The acreage under rye showed little change.

The acreage of oats is placed at 11,600,000 compared with 11,400,000 in 1949, Alberta accounting for the major part of the increase. The barley acreage advanced to 6,600,000 from 6,000,000 in 1949, all provinces sharing in the rise except Nova Scotia. Rye acreage at 1,180,900 is only slightly changed from the 1949 figure of 1,181,600, while flax seedings are estimated at 541,400 acres, up sharply from 322,500 in 1949.

All-Canada potato seedings, at 508,200 acres are little changed from last year's total of 510,300 acres, declines in Prince Edward Island, New Brunswick, Ontario, Saskatchewan, and British Columbia, being offset by increases in the other provinces.



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WEEK'S EVENTS IN REVIEW

ADDITIONAL AID TO UN FORCES IN KOREA: The following is the text of the statement made on July 19 by the Prime Minister, Mr. St. Laurent, on additional Canadian aid to the United Nations forces in Korea:

"The attack of the North Korean aggressors on South Korea is a breach in the outer defences of the free world. Each of the free nations has its responsibilities. So far as Canada is concerned, we have our obligations as a member of the United Nations. We have our obligations under the North Atlantic Treaty. We have our joint responsibility with the United States for the defence of the North American continent.

"The resistance to aggression in Korea is to restore peace and to check those aggressive forces which threaten a world war. As an essential step to this end the nations of the free world must examine urgently and carefully where each can make its weight most effectively felt in the overall defence pattern.

"The Cabinet has had under consideration the communication addressed last Friday by the Secretary General of the United Nations, to the 52 nations which had supported resistance to aggression in Korea. The Secretary General has asked these Governments to consider what assistance they could offer to the United Nations Commander.

"The Cabinet has given full and earnest study to the Secretary General's request for assistance in the light both of the needs of the Korean situation and of the other interests and responsibilities of Canada.

"In this connection, the Cabinet has had before it detailed reports from the three Armed Services and the advice of the Chiefs of Staff. We have also been in touch with the civil and military authorities of the United States.

"Already three Canadian destroyers are proceeding to Korean waters. To be prepared for other eventualities, including the requirements for supporting the ships now in the Far East, authority has been given for the Navy to place additional ships in commission, to bring others up to full complement, and to recruit whatever additional men are needed. In making this decision the Government has kept in mind the well understood role of the Canadian Navy in protecting sea lanes against submarines, mines and coastal raids.

"Having in mind the other obligations for the employment of Canadian ground forces, the Cabinet has reached the conclusion that the despatch, at this stage, of existing first line elements of the Canadian Army to the Korean theatre would not be warranted. However, with a view to strengthening the Canadian Army to meet future requirements the

(Continued on p. 8)

MAY IMPORTS REACH RECORD VALUES

SMALL DEBIT BALANCE: Canada's total imports from all countries and imports both from the United States and the United Kingdom reached all-time monthly peak values during May. Due to a substantial expansion in exports in the month, however, there was only a small overall trade deficit, while as a result of record exports to the United States the trade deficit with that country was sharply lower than a year earlier and below April this year.

Total imports from all countries in May rose sharply in value to \$290,200,000 from \$230,900,000 in April and \$250,500,000 in May last year. Besides attaining record levels from the United States and the United Kingdom, imports increased over May last year from all foreign geographic groups of countries and from all Commonwealth groups except the Oceanic group. Domestic and foreign exports were valued in the month at \$289,600,000 as compared to \$209,700,000 in April and \$275,600,000 a year ago. The result was a small adverse balance of \$600,000 as against \$21,200,000 in the preceding month and a credit balance of \$25,100,000 in May, 1949.

5 MONTHS ENDING MAY

For the five months ending May, the aggregate value of imports was \$1,170,600,000, up moderately from \$1,158,900,000 in the same period of 1949, while the total value of domestic exports amounted to \$1,141,400,000 as against \$1,169,600,000 and foreign exports aggregated \$14,900,000 compared to \$11,500,000. The five month's trade thus produced an aggregate adverse balance of \$14,300,000 this year as against a credit balance of \$22,200,000 last year.

May imports from the United States climbed sharply in value to \$195,500,000 from \$162,200,000 in April and \$172,100,000 in May last year to establish the new monthly high value. Previous peak figure was \$190,400,000 in October, 1947, which probably represents a somewhat larger volume of goods owing to the effects of devaluation last September on current purchasing value of the Canadian dollar across the border. Domestic exports in May to the United States -- as earlier announced -- also rose to a record value of \$175,300,000 from \$137,800,000 in April and \$121,200,000 in May a year ago, while foreign exports stood at \$1,900,000 as against \$1,500,000 and \$1,800,000. As a result, the adverse balance declined to \$18,300,000 as compared to \$22,900,000 for April and was sharply below last year's May debit of \$49,100,000.

During the five months ending May, Canada's imports from the United States were down slightly in value at \$816,200,000 compared to \$831,900,000, while domestic exports were substantially higher at \$727,100,000 as against \$577,000,000 and foreign exports increased to \$9,900,000 from \$8,000,000. The cumulative debit balance accordingly was reduced to \$79,200,000 compared to \$247,000,000 last year.

Purchases from the United Kingdom during May increased to \$36,300,000 from \$29,500,000 for both April and May last year to pass the previous top monthly figure of \$32,700,000 in March this year. Canadian domestic exports to the United Kingdom, recovering somewhat from their recent low levels, were valued at \$48,700,000 compared to \$25,800,000 in April and \$72,400,000 in May, 1949. Allowing for the small amount of foreign exports, the month's trade again yielded -- after two months of small debit balances -- a credit balance of \$12,500,000, which compares with \$43,400,000 last year. For the five months, imports from the United Kingdom were up in aggregate value to \$150,100,000 from \$136,300,000 the previous year, while domestic exports were down to \$183,600,000 from \$274,900,000, and the credit balance was reduced to \$34,600,000 from \$140,000,000.

COMMONWEALTH COUNTRIES

Aggregate imports from Commonwealth countries other than the United Kingdom also advanced in May to \$24,245,000 compared to \$20,185,000 in the same month last year, raising the cumulative total over that of last year to \$73,636,000 compared to \$72,172,000 (excluding Newfoundland). Purchases from those in the Western Hemisphere rose in May to \$11,222,000 from \$7,548,000 a year earlier; from Commonwealth countries in Africa to \$2,692,000 from \$1,602,000; and from the Asiatic group to \$6,687,000 from \$5,853,000. On the other hand, imports from the Oceania group dropped to \$3,631,000 from \$5,180,000.

Total imports from Latin American countries increased in May to \$18,776,000 from \$16,914,000 a year ago, with larger increases for Brazil, Colombia and Mexico and imports from Venezuela slightly lower. Purchases from Europe moved up to \$8,635,000 compared to \$8,061,000, gains being recorded for Germany, Italy, Portugal, Spain and Switzerland and decreases for Belgium and France. Imports from other foreign countries rose in value to \$6,599,000 compared to \$3,542,000, the larger increases being for Arabia, Japan, Netherlands Antilles and the Philippine Islands.

NEW CANADIAN FORCES DECORATION: A new distinctly Canadian decoration for Canada's Armed Forces, known as the Canadian Forces Decoration, has been approved by the King and will soon be available to Servicemen of the Navy, Army and Air Force, Defence Headquarters has announced.

It will be awarded for 12 years' service in either the Permanent or Reserve Forces and is the first purely Canadian decoration for service of this nature. Wartime and pre-war service may be counted.

The decoration will supersede long service and good conduct awards hitherto given to members of the Armed Forces, and which have no distinct Canadian connection.

The actual decoration is a 10-sided silver-gilt device, bearing on its front the effigy of the King, encircled by the Royal title. The reverse bears a Naval Crown, Maple Leaves, and an Eagle, representing the three Services. The ribbon is red, equally divided by three narrow vertical white stripes.

Permanent Force officers and men of the three Services will qualify by 12 years' full-time paid service in any of the Armed Forces of the Commonwealth, provided they were serving on or after October 1, 1946, in one of the Permanent Forces.

Reserve officers and men must have the same period of service in one of Canada's Reserve Forces. They must have joined the Reserve or must have been serving on or after January 1, 1946.

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NEW FISHERIES SERVICE: Announcement of the appointment of Loran E. Baker, M.C., of Yarmouth, N.S., as Director of Inspection and Consumer Service in the federal Department of Fisheries has been made by the Minister of Fisheries, Mr. Mayhew. Mr. Baker was the successful candidate in a nation-wide competition conducted by the Civil Service Commission.

The appointment of Mr. Baker is a significant step forward in the Department's programme for extending its service in the fields of inspection of fish products and the education of consumers.

The Inspection and Consumer Service is one of three new separate services being established in the Department. The other two are a marketing service and a fisheries development service. A fourth, to be known as industrial services, is being planned for the near future. These new undertakings were forecast by the Minister of Fisheries some time ago in connection with the Government's fisheries development programme.

The service Mr. Baker heads will be responsible for the inspection of fish products for both the domestic and export markets. He will also direct the Department's programme to make Canadians more fish conscious, and, in this regard, a special kitchen is already in operation testing and developing new fish recipes.

CANAL TRAFFIC HEAVIER: Canadian canal systems had a fairly active month during May -- the first full month of this season -- when a total of 3,609,322 tons of freight was locked through as compared with 3,587,191 tons in May last year, an advance of 22,131 tons. Peak tonnage for the month was 3,946,215 tons recorded in 1942. Traffic was heavier in May this year at the Canadian Sault, through the St. Lawrence system and on the Richelieu in comparison with last year's volume.

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MILITARY MEDICAL CONFERENCE: More than 100 prominent naval, military, airforce and civilian medical and dental officers, representing Canada, the United Kingdom and the United States, will attend a six-day meeting in Montreal, July 19 - 25, the Minister of National Defence, Mr. Claxton, has announced.

The object of the meeting, the sixth of its kind, and the first to be held outside of the United States, is to discuss field medical and dental equipment for the services of the three countries. It is being held in Canada this year at the Medical Dental Armories on St. Urban St., Montreal, upon the invitation of Mr. Claxton, who will be represented at the meeting by Dr. O.M. Solandt, Chairman of the Defence Research Board of Canada. Dr. R.L. Meiling, Director of Medical Services for the U.S. Department of Defence, will represent U.S. Defence Secretary Louis Johnson.

PROGRAMME OF DISCUSSIONS

Following addresses of welcome by Dr. Solandt and Maj.-Gen. R.O.G. Morton, CBE, General Officer Commanding Quebec Command, and a review of the group organization and guidance comments by other senior officials, the meeting is to take up such subjects as Arctic clothing at sea, medical equipment in the Arctic, Arctic survival, pharmaceutical supply units, field surgical units, field dental units, field malaria and epidemic disease control units and field veterinary units. Panels will also consider field radiographic and laboratory work and antiseptics.

Among those attending the meeting will be: Surgeon Captain A. McCallum, Medical Director General of the Royal Canadian Navy; Brig. W.L. Coke, OBE, Director General of Medical Services for the Canadian Army; Col. Elgin M. Wansborough, OBE, MM, ED, Director General of Dental Services for the Canadian Department of National Defence; Group Captain J.A. Mahoney, Directorate of Health Services for the Royal Canadian Air Force; Mr. G.W. Rowley, head of the Arctic Research Section, Defence Research Board of Canada; Maj.-Gen. R.W. Bliss, Surgeon General for the U.S. Army; Rear Admiral C.A. Swanson, MC, Surgeon General for the U.S. Navy; Maj.-Gen. Harry G. Armstrong, Surgeon General of the U.S. Air Force; Maj.-Gen. Walter D. Love, Chief Dental Division, U.S. Army; Maj.-Gen. Geo. R. Hannebeck, Chief Dental Services, U.S. Air Force; Air Commodore G.A. Ballantyne,

CBE, DFC, Director of Royal Air Force Dental Services; Col. C.E. Eccles, OBE, of the British War Office, and Surgeon Commander E. James, Royal Navy Medical Liaison Officer in the United States.

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GOVERNMENT REVENUES, EXPENDITURES: The Minister of Finance, Mr. Abbott, on July 15, released a statement compiled by the Comptroller of the Treasury covering revenues and expenditures of the Government of Canada for the month of June

The Comptroller's statement reveals that total revenues of the Government for the month of June amounted to \$195.0 million compared with \$191.0 million for the month of June last year. Total revenue receipts for the first three months of the fiscal year amounted to \$634.2 million compared with \$674.0 million for the same period a year ago.

The Comptroller's statement also shows total expenditures for the month of June of \$175.8 million compared with \$240.4 million for June, 1949. The decrease in the figures for June, 1950 compared with June, 1949 is due to the inclusion in the latter month of a charge of \$71.7 million arising out of the assumption by Canada of Newfoundland Guaranteed Stock as provided for under the Terms of Union.

Total expenditures for the first three months of this fiscal year amounted to \$420.6 million compared with \$471.1 million for the same period last year.

Revenues for June exceeded expenditures by \$19.3 million. The budgetary surplus of the Government for the first three months of the fiscal year amounted to \$213.6 million compared with \$202.9 million for the same period last year. In addition there were non-budgetary disbursements, that is outlays for loans, advances and investments amounting to \$30.7 million in the period April 1 to June 30, 1950, compared with \$54.1 million in the comparable period of 1949.

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MR. CLAXTON'S NEWFOUNDLAND VISIT: Returning on July 16 from an inspection and holiday trip to Newfoundland, the Minister of National Defence, Mr. Claxton, said that he was pleased with the progress shown in defence organization on the Island since his visit a year ago.

Following interviews then with leading citizens heads of organizations and veterans, there had been set up a Naval Reserve Division, H.M.C.S. "Cabot", the Royal Newfoundland Regiment, the 166th (Newfoundland) Field Regiment, R.C.A., the 56th Independent Field Squadron, R.C.E., a search and rescue flight of the R.C.A.F., Sea Cadets, Army Cadets and Air Cadets, as well as the necessary staff organization to administer these.

For the first time sailors, soldiers and cadets from Newfoundland had done active training on "The Mainland" with other Canadian

forces. Most of these had been flown out. For many of them it was their first trip to the rest of Canada.

The visit to St. John's included an interview with Premier Smallwood and the Attorney General, the Honourable L.R. Curtis, K.C., on civil defence, the inspection of numerous defence properties, including newly-built married quarters, as well as the search and rescue unit at Torbay.

On this visit Mr. Claxton had talks with Major-General Lyman Whitton, Commanding General U.S. Forces and visited the three American bases at Fort Pepperel, Harmon Field and Argentina.

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FEWER HOUSING STARTS: Fewer new dwelling units were started and fewer completed in Canada during April and the first four months this year than in the corresponding periods of 1949, but the number under construction at the end of April was greater than a year earlier.

Completions in April are estimated at 5,397 units as compared to 7,251 in April last year, making a total of 23,270 completions for the four months ending April for all Canada as against 25,077 in the same period of 1949. Starts in the month numbered 7,422 as compared to 8,466 a year ago and in the four months totalled 16,437 compared to 16,682. At the end of April there were 50,775 units under construction, including 1,474 in Newfoundland, as against 48,080 a year earlier when Newfoundland was not covered in the survey. With Newfoundland figures excluded, there was an increase of 2.5 per cent for the nine other provinces in number under construction.

Completions in April were lower than a year ago in all regions except British Columbia, but in the four months were higher in Quebec and New Brunswick and lower in the other provinces.

Of the estimated total of 23,270 units completed from January to April, 17,094 were one-family detached dwellings, 3,798 apartments or flats and 2,306 two-family detached dwellings, while an estimated 28 per cent were for rental purposes.

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FARM COSTS RISE: Overall cost of commodities and services used by Canadian farmers, advanced 4.6 per cent between January and April this year, while the cost of commodities and services exclusive of living costs moved up nearly seven per cent in the same interval, according to indexes compiled by the Bureau of Statistics.

The composite price index of commodities and services used by farmers, including farm living costs, increased 8.7 points to 196.6 for April from 187.9 for January, placing it 5.5 points above the April, 1949, standing of 191.1. Exclusive of farm living costs, the

index rose to 209.9 for April from 196.3 for January, and compares with 202.9 in April last year. A seasonal increase of 11.7 per cent in farm wage rates, together with a 3.7 per cent rise in equipment and materials was mainly responsible for the increase.

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12,000 MILE ARCTIC VOYAGE: Laden with more than 1,000 tons of assorted cargo, the Department of Transport's new vessel, the C.G.S. "C.D. Howe", weighed anchor on July 17 to start her maiden voyage for northern outposts in Canada's Eastern Arctic. The vessel is under command of Captain Albari Chouinard and will cover a distance of more than 12,000 miles in arctic waters before returning to the St. Lawrence River around October 15.

The first leg of the journey will be around the coast of Labrador and through Hudson Strait to the Port of Churchill. Arrival of the vessel at the northern Manitoba port is expected around August 15 and by that time it will have emptied most of its cargo. At Churchill, the "C.D. Howe" will pick up approximately 1,200 tons of cargo consisting mostly of fuel for the use of northern outposts.

After leaving Montreal, the "C.D. Howe" will take on some cargo at Quebec city. The vessel is scheduled to call at ten different outposts before reaching Churchill-Cartwright, Rigolet and North West River, Cape Harrison, Hopedale, Main, Hebron, Port Burwell, Georges River, Fort Chimo, and Payne Bay.

Scheduled to leave the Port of Churchill on August 21 on the second leg of its northern trip the "C.D. Howe" will head for Davis Strait and up into Baffin Bay and Foxe Basin, calling on such northern outposts as Cape Dorset, Lake Harbour, Frobisher Bay, Pangnirtung, Clyde River, Pond Inlet and Craig Harbour which is the furthest northern outpost on its itinerary. Calls may also be made at Dundas Harbour and Arctic Bay.

While the major portion of the cargo includes food, fuel and other staple items, the "C.D. Howe" is also carrying much needed building supplies and radio and weather station equipment for the Department of Transport's expanded northern facilities.

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FIELD CROP PROSPECTS BETTER: For Canada as a whole, the condition of all major field crops, with the single exception of sugar beets, was more favourable at June 30 this year than at the same date last year, according to the report on numerical condition of field crops at that date by the Bureau of Statistics. The numerical condition is expressed as a percentage of the long-time average yield per acre for each crop respectively in each of the provinces, except Newfoundland, for which data are not available.

For wheat, the numerical condition was placed at 83 per cent, well above last year's June 30 condition level of 72 per cent. Rye at

74 per cent was also well above last year, when the figure was 54 per cent. Oats at 89 per cent, barley at 85 per cent and flaxseed also at 85 per cent were eight, nine and five points respectively above the comparable 1949 figures, while mixed grains were 20 points higher at 96 per cent. The condition of many crops, including wheat and rye, however, was below 1948 levels, exceptions being oats and barley which were nine and seven points respectively higher than on the same date two years ago.

While more favourable than a year ago for the country as a whole, prospects varied considerably for different regions. Almost without exception, crops in the Maritimes showed condition ratings below those of last year, hay and clover especially being low in all three provinces due largely to winter-killing. In Ontario and Quebec, conditions were almost the reverse with ratings for nearly every crop higher than in 1949. In Manitoba, due partly to the lateness of the season, the major grain crop ratings were below last year's level, Although hay and clover, alfalfa and pasture were well above. All crops in Saskatchewan had higher ratings without exception. Wheat and sugar beets excepted, the situation was similar in Alberta, although the general level of condition ratings was considerably below that of the other two Prairie Provinces. In British Columbia crop conditions showed relatively little variation from the same date last year.

Condition figures at June 30, the Bureau's report points out, do not necessarily reflect ultimate yields. Deviations from normal in weather factors, plant diseases or insect infestations between June 30 and harvest time may lead to outturns considerably different from those indicated by the June 30 numerical condition figures.

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AUTO REGISTRATIONS UP 13 P.C.: Registrations of motor vehicles of all kinds in Canada increased nearly 13 per cent in 1949 over 1948, the total rising by 257,514 from 2,034,943 in 1948 to 2,292,457, according to a preliminary summary of provincial figures by the Bureau of Statistics. This increase compares with a rise of about 195,000 or slightly under 11 per cent in 1948 over 1947.

Registrations of passenger automobiles, both new and renewals, numbered 1,655,312 (excluding taxi cabs), accounting for over 70 per cent of all registrations.

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TUBERCULOSIS CONTROL: To aid Ontario in its tuberculosis control programme the federal Department of National Health and Welfare has approved use of the national health grants for an additional mobile x-ray unit. This was announced by the Minister, who said that with this unit the Ontario Department of Health plans to expand its survey services among industrial workers.

FAMED AIRMEN PROMOTED: Two pilots who patrolled the shark-infested waters of the Indian Ocean with the famous Tusker squadron, Canada's first squadron to operate in the Far East, are involved in personnel movements announced on July 19 by RCAF headquarters.

Early next month Group Captain J.C. Scott, DSO, 37, of Babcygeon, Ont., who commanded the Ceylon-based 413 Tusker flying-boat squadron at one stage of the Second World War, will replace Group Captain Leonard J. Birchall, OBE, DFC, 35, of St. Catharines, as assistant air attaché to the United States.

Group Captain Birchall, who became world famous as the "Saviour of Ceylon" for his timely wireless warning of the approach of a Japanese invasion fleet, while flying with the Tuskers, will command RCAF Station Goose Bay, Labrador, on his return to Canada from Washington.

The Tusker squadron operated with Catalina flying boats, escorting convoys and hunting enemy submarines from the Bay of Bengal, off the shores of Burma, to the Maldive Islands, below the equator. The squadron hoisted the first RCAF ensign ever to fly in the Far East.

The graduate of Royal Military College, G/C Birchall was a Squadron Leader with the Tusker Squadron at the time his patrol aircraft sighted the Japanese fleet in 1942. His report allowed the island defenders time to prepare for the assault of the enemy carrier force. The Birchall aircraft was shot down and the survivors taken prisoner.

In addition to the DFC, G/C Birchall received the OBE for his outstanding service in prison camps on behalf of the ill-treated inmates.

G/C Birchall has been assistant air attaché in Washington for two years. His new station at Goose Bay is a jumping-off point for trans-Atlantic aircraft and is the search and rescue centre of Labrador.

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VEHICLE ENTRIES UP: Foreign vehicles entering Canada on traveller's vehicle permits in June totalled 237,769, showing an increase of eight per cent over last year's June figure of 221,002. Increased entries were recorded in all provinces except Nova Scotia and Manitoba, while entries into the Yukon Territory remained unchanged. Cumulative total for the first six months of this year rose to 592,360 from 573,076 in the similar period of 1949, or by three per cent.

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HIGHWAY EXPENDITURES UP: Estimated expenditures by all authorities on the construction, maintenance and administration of Canada's highway systems and rural roads, including bridges and ferries, continued to increase during 1948, reaching a record total of \$265,802,214, showing an advance of 14.3 per cent over the previous year's all-time high of \$232,514,295.

HOURLY EARNINGS AT PEAK: Hourly earnings of hourly-rated wage-earners reported by leading Canadian manufacturing establishments advanced to 102.4 cents at May 1 -- the highest figure on record -- from the revised figure of 101.7 cents at April 1, the previous peak. At the same time, the average weekly earnings of these wage-earners moved up slightly to \$43.62 from the April 1 figure of \$43.53, the effect of the rise in the hourly rate being partly offset by a decline in the average hours of work from April 1, when more overtime was reported. At May 1 last year average hourly earnings stood at 98.6 cents and weekly earnings \$41.91.

The increase in the hourly rate at May 1, the Bureau of Statistics reports, was due in part to upward revisions of wage-rates and in part to seasonal changes in the industrial distribution of wage-earners.

* * * *

CREDIT SALES INCREASE: There was little change in the cash and credit proportions of retail sales in Canada in the first quarter of this year as compared with the first quarter of 1949, but the proportion of credit sales on the instalment basis moved upward for the third successive quarter, according to the quarterly survey of retail consumer credit by the Bureau of Statistics.

Cash sales in the first three months this year declined slightly to 62.7 per cent of total sales from 62.9 per cent for the first quarter of 1949 and charge sales to 28.2 per cent from 29.0 per cent, while instalment sales rose to 9.1 from 8.1 per cent. Previous surveys indicated advances in instalment sales from 8.0 per cent in April-June last year to 8.3 per cent for the July-September period and 8.7 per cent for the October-December quarter.

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ANNUAL RAILWAY REPORTS: The Bureau of Statistics has issued its annual reports on the Canadian National Railways and the Canadian Pacific Railway Company. Each report presents a wide range of comparative statistics for the 27 years 1923 to 1949 on the operations of each system and also on the capital structure, loans and securities, other aid, etc. In the report on the Canadian Pacific Railway the accounts are adjusted on bases as nearly similar as possible to those of the Canadian National Railways in order to make the data for the two systems as closely comparable as possible.

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FEDERAL AID TO STUDENTS: Financial assistance by grants or loans provided by federal and provincial Governments to deserving Canadian students totalled \$4,570,000 during the past 11 years, it was announced on July 19 by the Minister of Labour, Mr. Mitchell. Of this total, federal contributions amounted to about 34 per cent.

PRODUCTION

Production of electric energy by central electric stations in Canada reached the highest monthly total on record in May -- 4,417,089,000 kilowatt hours.

Output of electric refrigerators for household use (excluding apartment type machines) totalled 32,350 units in May, a record, more than double last year's May figure of 13,836 units.

Production of refined petroleum products increased 17 per cent in January as compared with the corresponding month last year, while receipts of crude were six per cent higher. The month's output amounted to 7,324,561 barrels as compared with 6,278,713 in January last year, while crude oil received in the month increased to 6,329,459 barrels from 5,991,307.

Coal production in the first six months of this year increased five per cent over the corresponding period of 1949, while imports were three per cent lower in the same period. During June, output rose one per cent over June last year, while imports fell three per cent. According to preliminary figures, production for the first half of this year amounted to 9,588,600 tons as compared with 9,127,000 in the similar period of 1949.

Production of steel ingots in the first half of this year reached a record total of 1,650,000 tons, rising about two per cent over the previous half-year peak of 1,618,500 tons recorded for the first six months of 1949.

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WORLD WHEAT SUPPLIES HIGHER: Supplies of wheat remaining in the four major exporting countries -- United States, Canada, Australia, and Argentina -- continue to be substantially above a year ago, and prospects for 1950 world wheat crops are generally bright, states the Bureau of Statistics in its monthly wheat review.

Estimated supplies remaining at June 1 this year in the four countries for export and carryover at the end of their respective crop years amounted to 781,000,000 bushels as compared with 657,000,000 a year earlier, an increase of almost 20 per cent. Supplies this year (in millions of bushels) were as follows, last year's figures being in brackets: United States, 470 (345); Canada, 144 (155); Australia, 98 (78); and Argentina, 69 (79).

World grain imports for 1949-50 are provisionally estimated by FAO at 32,200,000 metric tons -- some 5,000,000 below the 1948-

49 import figure of 37,200,000 tons. Bread grain imports make up 22,400,000 tons of the 1949-50 total as against 27,900,000 tons in 1948-49, and coarse grain imports, 9,800,000 tons as against 9,300,000 in 1948-49.

Late trade reports relative to European wheat crops are very optimistic and outturns there this year may well exceed those of 1949. There are at present no indications of failure in any part of the continent. France is expected to have a sizeable exportable surplus, while good crops may be expected to reduce import requirements in other European countries. Information concerning U.S.S.R. is fragmentary but there appears to be no evidence to indicate that conditions are other than satisfactory. The Indian crop is apparently turning out better than last year.

The United States wheat crop, while below that of recent years, will still approach a billion bushels, well above the pre-war average. Rains have improved the Canadian outlook and if favourable conditions persist for the remainder of the season a good crop may be harvested. Weather in the Argentine has favoured seeding and the trade considers the wheat acreage will be significantly higher than last year. Australia, too, reports that another above-normal crop may be harvested if favourable conditions continue for the remainder of the season.

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RAINS IMPROVE CROP PROSPECTS: Crop prospects in the Prairie Provinces show a marked improvement as a result of copious rains received this past week, with the greatest improvement in Alberta, where up to two inches of rain were received in most districts. North of Edmonton some rain was received but more will be needed soon. In Saskatchewan, apart from the southwest corner and parts of south-central districts, the crop outlook ranges from fair to very good. Over most of Manitoba crop conditions are excellent, but excessive moisture is adversely affecting crops in some districts. Cool weather, averaging more than five degrees below normal, has prevailed in all three provinces during the past week. Warm, drier weather would now be welcome in most areas to promote crop development.

Intermittent rains and poor curing weather have retarded haying operations in Ontario. Although somewhat better than anticipated earlier, the yield is still considerably below average and a number of counties are expected to have insufficient hay for winter feed requirements. Harvesting of winter wheat has started in some counties.

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CARLOADINGS: For the third successive week, railway carloadings were at an all-time high in the seven days ending July 8, when 78,893 cars were loaded, an increase of 5,957 cars or 8.16 per cent over the corresponding week of 1949.

NATIONAL NOTES

Contributions to the Manitoba Flood Relief Fund, which officially closed its appeal on Saturday, July 15, totalled \$7,537,000 on that date, with donations still coming in.

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First Newfoundland unit to train at a Reserve Force camp of the Canadian Army, the 166 Field Regiment, RCA, arrived by plane at Petawawa Military camp last week.

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William Riddell, presently Assistant General Manager of the Saskatchewan Pool Elevators Limited, has been appointed a member of the Canadian Wheat Board, the Minister of Trade and Commerce, Mr. Howe, has announced.

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Appointment of Group Captain R.J. Lane, DSO, DFC, of Victoria, B.C. and Ottawa, as Commanding Officer of RCAF Station Edmonton, was announced on July 20 by Air Force Headquarters. He will replace G/C J.C. Scott, DSO, who becomes Assistant Air Attaché on the Canadian Joint Staff in Washington, DC.

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The Minister of Labour, Mr. Mitchell, has released a report based on a study conducted by the Economics and Research Branch of the Department, of hours and working conditions in five of the principal cities across Canada. Over 70 per cent of the plant workers in Montreal and over 85 per cent of the workers in other cities were working 45 hours or less per week. The five-day week was common in all cities except Halifax.

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(Continued from p. 1) - ADDITIONAL AID

Cabinet has authorized recruiting above present ceilings and the acceleration of other aspects of the Army programme. Should a decision be taken by the Security Council of the United Nations to recruit an international force for service, under the U.N. Commander, in Korea, the Canadian Government will give immediate consideration to Canadian participation in such an undertaking. Any participation of this nature would require approval by Parliament in accordance with my statement made in the House of Commons on 30th of June.

"It has been indicated to the Government that transport by air is an immediate need. The Government has, therefore, decided to provide at once a long range RCAF transport squadron for service in the Pacific air lift. The programme for increasing the operational strength of the RCAF is being accelerated.

Canadian aircraft production is being speeded up, and additional personnel will be recruited and trained.

"The Korean situation cannot be viewed in isolation. The attack on the Republic of Korea has increased the cohesion of resistance to aggressive Communism in other parts of the world. The measures which the United States Government have taken and are taking are far-reaching and significant. Here in Canada we also shall press on with measures which will increase the preparedness of this country. We are increasing immediately our defence effort and expenditure. We are also giving consideration to further measures of aid by this country to our North Atlantic partners.

"Grave decisions may lie ahead but it is deeply sustaining to know that the well-nigh unanimous weight of Canadian public opinion is behind the Government in its decision that Canada do its share in resisting aggression and restoring peace."

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WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on July 6 amounted to 101,652,500 bushels as compared with 100,764,700 a week earlier and 65,263,200 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces during the week amounted to 3,823,400 bushels, sharply above last year's corresponding total of 1,816,500 bushels. Cumulative total for the period August 1 - July 6 was 302,379,900 bushels as against 281,206,600 in the similar period of the preceding crop year.

The following quantities of coarse grains were also delivered from farms in the Prairie Provinces during the week ending July 6, totals for the same week last year being in brackets: oats, 1,054,900 (1,157,900) bushels; barley, 541,600 (598,100); rye, 109,400 (280,900); flaxseed, 13,700 (96,500).

Overseas export clearances of wheat during the week ending July 6 amounted to 1,467,000 bushels, showing a sharp decline from last year's corresponding figure of 4,766,900 bushels. Cumulative total for the crop year to date aggregated 154,248,500 bushels against 163,889,000 in the similar period of 1948-49.

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ADEQUATE WHEAT STORAGE: Ontario winter wheat producers should find little or no difficulty in securing elevator space for their wheat when harvesting commences shortly, the Minister of Trade and Commerce, Mr. Howe, said in commenting on reports that Ontario wheat producers were concerned over the possibility that, failing suitable storage space and lacking farm storage, it would be necessary for them to sell their wheat immediately rather than hold it for sale at their discretion.



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WEEK'S EVENTS IN REVIEW

THE DEATH OF MR. KING: The Right Honourable W.L. Mackenzie King, former Prime Minister, died on Saturday evening, July 22, at his summer home, Kingsmere, in the Gatineau Hills. His death followed an attack of acute pneumonia, suffered late on the afternoon of July 20.

Mr. King was succeeded as Prime Minister by Mr. Louis St. Laurent on November 15, 1948, after having served as Prime Minister an aggregate of 21 years, five months and five days. He had surrendered the leadership of the Liberal Party on August 7, 1948, 29 years after assuming it. Neither of these records of service had been exceeded in a British Commonwealth country. Mr. King's long Parliamentary career terminated with the dissolution of Parliament on April 30, 1949.

From the morning of July 23 until the morning of July 25 the remains rested at his Ottawa residence, Laurier House, where close personal friends paid their last respects. They were removed on the morning of July 25 to the Hall of Fame in the Centre Block of the Parliament Buildings to lie in state until Wednesday afternoon, July 26. Tens of thousands of citizens filed past the bier in the Parliament Buildings.

Through Ottawa streets lined with 50,000 people the state funeral procession moved on Wednesday afternoon to St. Andrew's Presbyterian Church where Mr. King had long worshipped. Four mounted policemen in scarlet, flanked by 32 pallbearers, headed by the Prime Min-

ister, Mr. St. Laurent, led the procession down Parliament Hill. Behind a tri-service Guard of Honour followed hundreds of official mourners, Members of Parliament, the diplomatic corps, the clergy, the judiciary and ordinary citizens.

In historic St. Andrew's Church, where touching eulogy to the late Prime Minister was spoken by Rev. A. Ian Burnett, minister of St. Andrew's and close friend and confidant, Mr. King's regular pew was empty and draped in black. The Governor General and Lady Alexander were among those present at the service.

Following the service the cortège again moved at the slow march through lines of sorrowing citizens to the Union Station where the body was placed aboard a special train for Toronto for interment in the family plot in Mount Pleasant Cemetery on the morning of Thursday, July 27.

Tributes to the memory of the late Prime Minister had poured in from Their Majesties, the King and Queen, from heads of Governments and prominent statesmen and dignitaries all over the world, from leaders of federal opposition parties in Parliament, provincial Premiers and prominent citizens everywhere.

The final sentence of the public tribute paid by the present Prime Minister, Mr. St. Laurent, was:

.... "Today the Government of our country has lost its wisest counsellor and the people of Canada their greatest public servant."

CANADA'S DEFENCE NEEDS

MR. CLAXTON'S RADIO SPEECH. The Minister of National Defence, Mr. Claxton, in a broadcast over the Trans-Canada Network on July 20, appealed for recruits for the Armed Services and explained the steps which were being taken to strengthen the Navy, Army and Air Force.

"This doesn't mean that we expect another world war," he said, after explaining the various details. "It does mean that by being in as good a state of preparation as the resources made available permit, we will be doing our part to prevent war."

The partial text of the Minister's address is as follows:

"...In his statements the Prime Minister has put our present position in very clear terms. That position may, of course, change. As a matter of fact, since the end of the Second World War change is about the one thing we can count on as a certainty.

"In the meantime, and as an immediate step, we are going to press on with the recruiting, training and arming of our forces so as to be as ready as time and money permit to meet whatever emergency or development the future may hold.

"At the present time we have in the full time active Navy, Army and Air Force a total of about 47,000 men. Circumstances now justify the recruiting of additional men without any stated ceiling. Let me tell you the special purposes for which we want these additional men.

"First, in the Navy, we want to commission, that is, make active, more ships - including the destroyers 'Crescent' and 'Crusader' on the west coast. We also shall bring up to full complement all our fighting ships. In addition to the three destroyers in the far East, we shall have the 'Magnificent' and two more destroyers on a training cruise in the North Atlantic and eight other ships will be carrying on training of new entries, reserves and officer cadets in Canadian waters.

"In the Army, we want men to bring up to full strength the famous units of the brigade group - the Princess Patricia's, the Lord Strathcona's, the Royal Canadian Regiment, the Royal 22e Regiment, the Royal Canadian Dragoons, as well as the artillery, engineers and other units.

"In this connection we are adding to our Ac-Ac artillery....

"For the Air Force, we want men for technical trades, particularly radar, and also we need a number of especially fit young men between 18 and 21, having at least a junior matriculation, to qualify for aircrew on a short service plan of from 18 months up to 5 years, with the possibility, if they have the general background and capacity, of having a continuing career in the Air Force."

"The kind of men we want for all three services are between 18 (or in some cases 17 with parents' or guardian's consent) and 29, single, having the equivalent of at least a ninth grade education. They would sign on for three years in the Army and five in the other services, with re-engagements if they liked it and were needed, for additional periods of five years....

"What is the object of these active, full time personnel? First, it is to provide the minimum forces necessary to defend Canada from immediate attack on the scale that our military advisors inform us we might expect as part of a general war. Then, it is to provide the organization - administrative and training staffs - the leadership and the housekeeping services for the active forces themselves, for the reserve forces and also for very much larger forces should it become apparent that we are moving into a general conflagration....

"I believe the Canadian forces today are as fine and fit a body of men as we have ever had under our colours at any time....

"In addition to wanting men for the active forces, we want men of just about the same standards for the reserve forces....

"In the all-important field of officer training we have set what I believe to be as high standards as in any country in the world. We want them to have the equivalent of a university training and a year of practical work. We have over 5,000 men training to these standards today.

"In addition to increasing personnel, we are accelerating production of the F-86 and our own CF-100. This twin-engine, all-weather, jet fighter is unquestionably some time in advance of all other aircraft in this particular field. Because it's a success, I am now announcing for the first time the name we have chosen for it, 'the Canuck' - a thoroughly good Canadian product of Canadian workmen and engineers and members of the R.C.A.F.

"We will press on with the development of other equipment....

"This doesn't mean that we expect another world war; it does mean that by being in as good a state of preparation as the resources made available permit we will be doing our part to prevent war. And we don't regard this preparation as an end in itself. We look forward to the day when it will not be necessary to spend over 20% of our national budget on defence, to the day when nations and men will feel secure to work together to enjoy measures of prosperity and security we know we can have. The one thing that is preventing that today is the Communist appetite for power. Unfortunately, the brutal fact is that until that changes we and other peoples who love our countries and cherish our freedoms must be prepared to do whatever is necessary for their defence...."

MARINE SEARCH, RESCUE SYSTEM: Government operated ships numbering more than 200, are being co-ordinated into a general marine search and rescue system in Canada, it was announced jointly on July 21 by the Minister of National Defence, Mr. Claxton, and the Minister of Transport, Mr. Chevrier.

The announcement said that "the Government has adopted the recommendations of an inter-departmental committee appointed to review arrangements for marine search and rescue services" and that the Royal Canadian Air Force has been "designated as the co-ordinating agency". The announcement further stated the committee was satisfied that "the enlarged system of co-ordination of rescue services would be both adequate and efficient".

The committee found that the system of co-ordination of marine search and rescue now being carried out by the R.C.A.F. Rescue Co-ordination Centres at Halifax and Vancouver is "basically satisfactory" and has made some recommendations in order "that this service might be improved" says the joint announcement.

NUCLEUS AVAILABLE

The Royal Canadian Navy, the Royal Canadian Air Force, the Royal Canadian Mounted Police, the Department of Transport, the Department of Mines and Technical Surveys, the Department of Fisheries and other governmental agencies operate vessels of various types and sizes on the two coasts. In the opinion of the committee "there is sufficient number of such ships available in each area to provide a nucleus for marine search and rescue service". The committee felt that "even the less suitable vessels would be able to assist materially in saving life until the arrival of a more suitable ship capable of rendering any further assistance required by the emergency".

The Royal Canadian Air Force, which has been responsible for search and rescue service to aircraft in distress, has made its facilities in Halifax and Vancouver available for co-ordinating the provision of assistance to vessels as well as aircraft in distress in the east and west coast areas. The Committee urges that all interested agencies be made "aware of the action to be taken in the event of emergency and the public of the necessity of notifying the appropriate R.C.A.F. Rescue Co-ordination Centre of any casualty".

The Marine services operated by government departments will keep the R.C.A.F. Co-ordination Centres "informed of the movements and state of readiness of their ships". In its capacity as co-ordinating authority, the R.C.A.F. will inform the nearest and most suitable government ship of any casualty. Such ships are required to take the "immediate action necessary to ensure the safety of life and if possible to prevent the damage to or loss of any ship or cargo until such time as private or commercial salvage vessels are available for this purpose".

The R.C.A.F. already has at Vancouver and Halifax major operational search and rescue centres with radio communication to other government services and agencies as well as to ships and aircraft at sea and centres in the United States. Other R.C.A.F. centres in Canada are similarly in communication with other agencies through the inter-service communications net across Canada.

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HUDSON BAY NAVIGATION: Extension of the navigation season in Hudson Bay by ten days was announced on July 20 by the Minister of Transport, Mr. Chevrier. The announcement was based on advice received from London extending marine insurance rates for vessels entering Hudson Bay ten days earlier than in former years.

The Minister's announcement states that minimum additional marine insurance premiums on ships bound for Churchill will apply to vessels passing Cape Chidley on and after July 26. The earliest date this insurance applied in former years was August 5. The latest date for vessels to leave the port of Churchill is October 10 as in former years.

In making this announcement, the Minister of Transport expressed appreciation of the representations made on behalf of the Department by the Commonwealth Shipping Committee to the London Board of Underwriters and also the helpful action by the underwriters in extending the navigation season.

While advancing the insurable period of navigation in the Hudson Bay, the London Board of Underwriters stipulates that no vessel shall proceed past Cape Chidley except by permission of the Department of Transport patrol vessel during the period from July 26 to August 10, inclusive.

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EMBARGO ON SHIPMENTS TO N. KOREA: Effective immediately, Canada has placed a complete embargo on all shipments to North Korea through the rigid application of area control under the Export Permit Regulations, the Minister of Trade and Commerce, Mr. Howe, announced on July 21. All outstanding export permits for this area have been declared invalid.

Great Britain, the United States and Australia have taken similar action in the past few days.

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CARLOADINGS: Carloadings on Canadian railways during the week ended July 15 were a near record for the week at 78,201 cars compared with 73,210 in the same period last year and the peak for the period of 78,244 cars in 1947. The gain over 1949 was 4,991 cars or 6.8 per cent. The Canadian cumulative total from the first of the year to July 15 aggregated 2,024,090 cars as compared with 2,021,853 in the similar period of 1949.

NATO PILOT TRAINING HERE: First personnel from the North Atlantic Treaty Organization nations to take air force training in Canada will arrive this month and actual training will start August 1, it was announced on July 21 by the Minister of National Defence, Mr. Claxton. Army personnel to take training under the scheme will arrive in September.

Approximately 250 personnel from six European nations will be trained here, including both air force and army students. Student pilots from France, Belgium, the Netherlands, Norway and Italy are scheduled to report to R.C.A.F. Station, London, Ont., for a six-week pre-flight course which starts August 1. About 50 student pilots are booked for training, although it is not expected that all will have arrived by August 1. A similar number of student navigators and up to 150 army trainees are scheduled to come to Canada for training. It is expected that Portugal will participate if arrangements can be worked out in time.

The pre-flight orientation course at London will if necessary provide a short technical vocabulary training. Purpose of the course is to minimize handicaps which might result from sudden entry into the intensive aircrew training courses under conditions unfamiliar to the students from abroad.

NATO pilot training will be given by the R.C.A.F. at its basic flying training school at Centralia, Ont., starting September 11. Training will be on single engine Harvard and will run for 37 weeks. Student navigators are scheduled to start navigation training at the Air Navigation School, Summerside, P.E.I., October 9, their course also covering 37 weeks.

Canada's offer to the nations signatory to the North Atlantic Treaty was announced by Mr. Claxton last March as a concrete means of aiding in the military training programme of those nations and of familiarizing officers of the various countries with one another and with another part of the North Atlantic area.

Under the offer the nations sending army and air force trainees will continue to provide pay and allowances, clothing, transportation to and from Canada and personal expenses. Canada will provide food, accommodation, transportation within Canada, normal hospital and medical services, in addition to all the costs of training.

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EXERCISE "SHOO FLY": "Shoo Fly," a small-scale exercise involving one officer and 10 other ranks of the Royal Canadian Regiment, started this week in the area of Fort Churchill, Man., and will continue until August 2, Army H.Q. announced on July 21.

The exercise is expected to bring to light the problems an infantry section would encounter in the Arctic during the summer while moving in a reconnaissance role. It is also hoped to determine the clothing and equipment requirements of a small force of this nature,

and during the course of the exercise various types of gear and supplies will be given rigid tests.

Army officers feel that the exercise has been aptly named. Millions of insects swarm the area, and emphasis will therefore be on the testing of anti-insect clothing, spray guns and insecticides.

The section has established a small base at a lake approximately 10 miles from Churchill, and regular reconnaissance patrols will operate from the lake in a radius of 15 miles, traversing all types of terrain found in the area. This includes bush country, barrens, muskegs, lakes, streams and eskers.

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EMPLOYMENT PICTURE IMPROVED: Increased seasonal activity in construction, agriculture and transportation, and a heavy demand for many Canadian products in the United States, were reflected in a steady improvement in the employment situation in the latter half of June in almost all sections of the country. Although the labour force is increasing at this time of year, as large numbers of students begin looking for work, the total number of registrations on hand at National Employment Service 6 offices continued to fall from 220,400 on June 15 to 204,600 at the end of the month. This was 57,400 above the total for the same week last year, the Minister of Labour, Mr. Mitchell, has announced.

As employment in construction and agriculture moved steadily upward to their seasonal peaks, shortages of certain types of workers persisted in these industries in some areas. Experienced farm help remained in short supply in many sections of eastern Canada, and a shortage of skilled construction tradesmen continued, particularly in the larger centres, such as Montreal, where a heavy building programme is under way.

The substantial increase in exports to the United States helped maintain high levels of employment in industries such as metal mining and pulp and paper, whose chief markets are in the United States. The increased demand for pulp and paper products has made necessary a larger summer cut of pulpwood logs than was anticipated earlier, and this has increased woods employment in both the Maritimes and Quebec: shortages of experienced wood workers have appeared in certain areas. It is now expected that employment in pulpwood cutting this coming season will be substantially above that of last winter.

The heavy United States demand for Maritime lumber has reversed the downward trend in production and employment which had been in effect in this industry. Employment in the Maritime lumber industry is now expected to approach the 1949 level. This rapid increase in the demand for one of the leading products of the Maritimes has stimulated the economy of the whole region.

Employment in manufacturing generally continued close to last year's level. Sawmills, pulp and paper mills, automobile and electrical apparatus plants, are increasing their staffs. Employment also increased in some heavy iron and steel plants in Quebec. On the other hand, leather and rubber goods plants and some textile companies were still on short-time, and the agricultural implements industry was releasing workers, as production declines from its seasonal peak.

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UN TRANSPORT SQUADRON ARRANGEMENTS: The R.C.A.F.'s 426 Transport Squadron, designated to aid in the Pacific airlift in support of United Nations forces in Korea, is to operate between McCord Field, Tacoma, Washington, and Tokyo, it was announced on July 21 by Air Force Headquarters. The squadron will fly under the operational control of United States Military Air Transport Service and normal administrative control of the squadron will remain with Air Transport Command, Rockcliffe, Ontario.

The squadron will move as a unit from its home base at Dorval, P.Q. to McCord Field, with six North Stars being slated to make the first flight to the west coast. The squadron is ready for an immediate move, but is holding at its Dorval base until arrangements can be made at McCord Field. Two more North Stars are expected to follow within a week of the departure of the first six.

GREAT CIRCLE ROUTE

The aircraft will fly the Pacific airlift, taking the great circle route over the Aleutians, a distance of about 4500 miles, calling for approximately 22 hours flying time. In addition to these aircraft, which will fly the airlift proper, two more North Stars will operate between Dorval and Tacoma, providing logistic support for the operation.

It is expected that the first flights over the Pacific by the R.C.A.F. aircraft may be made within several days of arrival at McCord Field.

Nearly 200 groundcrew and 100 aircrew will be flown to McCord Field, with equipment required to maintain the aircraft. Most of the groundcrew will remain at McCord Field, where the squadron will set up temporary headquarters, but a small number may be placed at Tokyo, the Far Eastern turn-about point, and at touch-down points in Alaska.

A small portion of 426 Squadron will remain at Dorval to carry on essential re-supply runs to isolated northern bases and to give familiarization training to air crews intended as replacements on the Pacific operation.

Each of the big four-engine North Stars flying the run will have two complete flight crews, made up of four aircrew personnel and two crewmen, who will serve as flight engineer and air cargo superintendent.

LABOUR FORCE 4,818,000: Results of the quarterly survey by the Bureau of Statistics indicate that Canada's total civilian labour force at the beginning of June this year was practically unchanged from a year earlier, with the number of persons with jobs slightly less than last year and the number without jobs and seeking work slightly larger. The number not in the labour force, and consequently the total non-institutional civilian population 14 years of age and over, was substantially greater.

Due to conditions caused by the Red River floods, Manitoba was not included in the latest survey, which covered the week ending June 3, and Newfoundland was not covered in the survey of June, 1949. Thus completely comparable data are available only for the other eight Provinces.

For these eight Provinces, the survey indicates a total labour force of 4,818,000 in June this year, up slightly from 4,814,000 in June a year ago. Of this total, persons with jobs numbered 4,695,000 as compared to 4,716,000 last year, and persons without jobs and looking for work 123,000 as against 98,000. The number of persons 14 years of age and over not in the labour force was 144,000 greater than last year, totalling 4,083,000 as compared to 3,939,000. Total non-institutional civilian population of the eight Provinces thus increased 148,000 to 8,901,000 from 8,753,000.

While up over June last year, the number of persons without jobs and seeking work in June this year shows a sharp seasonal decline from 269,000 in the week ended March 4 this year, date of the previous survey. In the same period the number with jobs increased about 250,000 from 4,444,000.

* * * *

1950-51 WHEAT PRICE: The Minister of Trade and Commerce, Mr. Howe, made an announcement on July 21 in regard to the price at which the Canadian Wheat Board will sell wheat for consumption in Canada during the crop year 1950-51. For the past several years the domestic price of wheat has been tied to the effective price under the Canada-United Kingdom Wheat Agreement. As this Agreement terminates on July 31, 1950, the Government has given consideration to the basis upon which the domestic price of wheat should be determined for the crop year commencing August 1, 1950.

It has been decided that effective August 1, 1950, the Canadian Wheat Board will sell wheat for consumption in Canada at the same price at which it is selling wheat for export under the terms of the International Wheat Agreement. For the crop year 1950-51 the International Wheat Agreement calls for a ceiling price of \$1.98 per bushel and a floor price of \$1.54 per bushel for No. 1 northern wheat in store at Lakehead or Vancouver basis Canadian funds. At the present time, the Board's selling price for wheat under the International Wheat

Agreement is \$1.98 for No. 1 northern wheat in store at Lakehead or Vancouver.

Under this arrangement, all the wheat which the Board will sell for consumption in Canada and all of the wheat which the Board will sell for export under the International Wheat Agreement during the crop year 1950-51, will be sold on the same price basis. The prices for export wheat sold outside the International Wheat Agreement will be those determined by market conditions at the time of sale.

* * * *

AUTO SALES AT PEAK: Both sales, and financing of sales of new and used motor vehicles showed further sharp gains in May over previous months this year and last to reach all-time record monthly levels. Passenger cars accounted for a major part of the rise in the month, but there were also substantial gains in sales and financing of commercial vehicles.

New vehicles sold in May totalled 40,582 as compared with 28,385 in the corresponding month last year, an increase of 43 per cent. The retail value for the month advanced almost 37 per cent from \$59,576,563 to \$81,578,306.

There were 13,448 new vehicles financed to the extent of \$18,477,964 in May, up sharply from the 8,222 units financed for \$11,819,237 a year earlier. Used vehicles financed in the month numbered 25,009 units involving \$17,073,800 as compared with 17,578 units financed for \$12,334,439 in May last year.

The high May sales raised new vehicle sales in the first five months of this year to 168,092 units from 109,892 in the like period of 1949, or by 53 per cent, while the value advanced from \$231,443,433 to \$336,021,879, or by 45.2 per cent.

New vehicle sales financed in the five months numbered 50,372 involving \$69,322,545 as against 29,918 units financed for \$43,093,359 in the same period of 1949.

New passenger car sales rose in the month from 19,692 units a year ago to 30,409, and the value advanced from \$40,397,359 to \$60,336,113.

* * * *

STRIKE LOSS HIGHER: Time loss due to work stoppages arising from industrial disputes during June, 1950, was slightly higher than in the previous month although the number of workers involved was considerably lower, according to a preliminary summary of strikes and lockouts issued on July 21 by the Minister of Labour, Mr. Mitchell.

Preliminary figures for June, 1950 show 27 strikes and lockouts in existence, involving 2,781 workers with a time loss of 30,152 man-working days, as compared with 23 work stoppages in May, 1950, with 3,488 workers involved and a time loss of 23,874 days. In June, 1949, there were 28 strikes and lockouts, involving 11,511 workers, with a time loss of 141,197 days.

ASSISTANCE TO UN IN KOREA: Following is the text of a letter delivered by John Holmes, Acting Permanent Delegate of Canada to the United Nations, to Trygve Lie, Secretary General of the United Nations, at Lake Success on the afternoon of July 21:

"I have the honour to acknowledge receipt of your message dated July 14, 1950, concerning additional assistance to the forces operating in Korea under authority of the Security Council's Resolution of June 27.

"I am instructed to inform you that the Canadian Government has given full and earnest study to the request contained in your message in the light both of the needs of the Korean situation and of the other interests and responsibilities of Canada.

"The Canadian Government understands that there is an immediate need for additional air transport. It has therefore decided to make available, at once, to the United Nations a long-range air transport squadron including ground crews of the Royal Canadian Air Force, for assistance in the Pacific air lift. In accordance with your suggestion, the detailed arrangements for the participation of this squadron will be made with the unified command established under authority of the Security Council.

"With respect to ground forces, for the reasons indicated in a statement issued by the Prime Minister on July 19 (of which I am enclosing a copy) the Canadian Government is unable, at this stage, to despatch existing first line elements of the Canadian Army to the Korean theatre.

"You will observe that in Mr. St. Laurent's statement reference is made to the Canadian Government's willingness to give consideration to participation in a United Nations force for service in Korea should a decision to that effect be taken by the Security Council.

"With respect to naval assistance, you are aware that three Canadian destroyers are already proceeding to Korean waters for service under the unified command.

"As you will observe from the Prime Minister's statement, the Canadian Government, having in mind its defence responsibilities, including those as a member of the United Nations, is taking immediate steps for strengthening and increasing its armed forces."

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RAIL REVENUES IMPROVE: Operating revenues of Canadian railways showed a marked rise in April over the corresponding month last year, and, with expenses at a lower level, the operating income for the month showed a betterment. Operating revenues in the month moved up to \$74,760,700 from \$72,669,800 a year earlier, and expenses fell to \$67,196,800 from \$67,661,000. Income from operations during the month rose to \$4,622,400 from \$2,437,000.

"CANADA AND THE KOREAN SITUATION"

MR. PEARSON'S ADDRESS: Canada's position in the Korean situation is dictated by the necessity of supporting United Nations' action, the Secretary of State for External Affairs, Mr. Pearson, stated in addressing a joint meeting of the Engineering Institute of Canada and the American Society of Civil Engineers in Toronto on July 14 on the subject, "Canada and the Korean Situation."

The transparent nonsense of the lie that war broke out in Korea as a result of an attack by South Koreans on North Koreans should be obvious even to Communists themselves, Mr. Pearson said. The south Korean forces were in no position to commit, with any possibility of success, any aggression, even if they had desired to do so. The United Nations' Commissioners, and not Moscow, had told the truth about Korea. It was on the basis of the facts revealed by them that the Security Council took the quick and decisive action that it did.

The Minister then proceeded, in part, as follows:

THE SECURITY COUNCIL

"...It is tragic that this action had to be taken by the Security Council, because it does mean armed police action which, in its turn - as we know already - means death and destruction. It would have been even more tragic, however, if the United Nations had defaulted on its clear-cut obligations to come to the defence of an attacked people, especially when quick and strong leadership was given in this undertaking by a great power which had forces in the area that could be made available to the United Nations for the restoration of peace. If the United Nations had failed at this time, the consequences would have been grave, not only for our world organization, but for peace itself. We would have once again repeated the performance of Abyssinia and Munich. In all the grim anxieties of the present situation, there is a gleam - more than a gleam - there is a promise of hope for the future in the fact that this time the collective conscience of the democratic world has expressed itself in action and not merely in words. The United Nations has intervened quickly and effectively, and collective security has been shown to mean something. The lesson of this can be read in other quarters where it perhaps needs to be read. If it is understood, we will have indeed struck a blow for peace.

"If only we could get across to those people whose governments have cut themselves off from the international community, that peace is all we have in mind; that there is no other purpose in this United Nations intervention but to stop aggression in Korea; that no one, least of all the leader in this collective action, the United States, desires for one

moment to exploit or extend this conflict, or to indulge in any action beyond that which is required to carry out the specific and restorative purposes of the Security Council resolution. That resolution has now received the approval of 53 states. They include many countries, and Canada is one of them, who resent and repudiate the charge that in doing our duty to the international community, and to peace, we are merely following the orders of a single member of the United Nations which has particular interests to safeguard in Korea. This is not the case. The people of Canada know that it is not the case....

"It is true that resolutions of the Security Council, of the kind passed on Korea, require the approval of seven members, including the votes of the permanent members of the Council. But it is equally true, though the Russians and their friends, of course, do not mention this now, that it has become a well established rule under the Charter that absence from the Council, or even abstention on a vote when present, cannot be considered as the application of the veto. The Soviet representative on the Security Council has himself abstained from voting on a number of occasions, and on no single one of these instances has the Soviet Union challenged the legality of the action taken by the Council. Indeed, on the contrary, the Soviet representative, Mr. Gromyko himself it was, has explicitly stated in the past that his abstention was not to be considered as a veto....

CANADA'S POSITION

"And what is Canada's position in all this? It is, I suggest, dictated by the necessity of supporting United Nations action. That is our only obligation, but it is one which we are discharging from considerations, both of national honour and of national safety. We have accepted that obligation as a Government, as a Parliament, and as a people, and we are discharging it. On this matter, we were united in the House of Commons and, I think, we are united, apart from the Communists, in the country. There may be, of course, a few who will argue that no Canadian interest is involved in Korea; that Korea is a country far away of which Canadians know nothing. There could be no reasoning more false than this. The terrible events of the last twenty years have shown us that there is no country far away from Canada and that there is no Canadian interest which matches our interest in peace. If that interest in peace is risked in Korea, or any other place, it becomes a matter of immediate concern to the Canadian people; for Canada, in this jet-propelled, atomic, interdependent age, cannot by itself remain secure and at peace in a warring world. And so it is a matter of primary Canadian interest, as it

is the interest of all free and peaceful peoples, that the collective police action of the United Nations should succeed.

"There are others who feel that we should, at once, mobilize all our strength for war and begin moving all our forces to the Pacific area. That, in my opinion, would be a very unwise thing to do in the present situation. Indeed, it is one that might give some satisfaction to those who would like to trouble the waters elsewhere so that they could fish in them.

"The Korean war may be a full tragedy itself; or it may be only the first act of a longer and far greater tragedy. Therefore, while we should be resolute in facing it, we should also be cool and far-sighted. At the moment, three modern Canadian war ships are on their way to become part of United Nations naval forces off Korea. We have been assured that they will provide effective assistance and they will soon be on the spot for that purpose, flying the flag of the United Nations alongside the flag of Canada. This is no mere token assistance. Nor is it assistance to any one State. It is a contribution to the United Nations for the restoration of peace in Korea. Our participation in this operation is for that purpose alone. But it is a high purpose. In this present contribution to its fulfillment, our sailors will find themselves under the operational leadership of a great American, General MacArthur, whose men, the men of the United States, are now bearing the burden and the heat of the conflict, with the courage and determination which one would expect of them....

NO SAFETY IN APPEASEMENT

"What of the future? He would indeed be rash who tried to predict it. A fire is raging and we don't know where the wind will blow it. But we know that we have reached the testing time - that we are facing trial by ordeal in the struggle between democratic freedom and Communist imperialism that has been going on for many years. We have learned - or if we have not we have been blind to all reality - that in this struggle against such ruthless forces, there is no safety in appeasement, as there is no sense in provocation. A steady and determined front against aggression, or threats of aggression, and the means to make that steadiness and determination effective, are what is required. This means rejecting alluring advice to isolate ourselves behind our boundaries and hope for the best; repelling the panicky counsels of impatient and bellicose men; welcoming any genuine move that may seem to promise peace but spurning phony overtures and appeals which conceal a bitter desire to weaken us so we can be destroyed...."

NATIONAL NOTES

Gleason Belzile, Liberal Member of Parliament for Rimouski and Parliamentary Assistant to the Minister of Finance, died on July 25 at his summer home in the St. Lawrence riverside resort of Notre Dame du Portage. He was 51.

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The Minister of Trade and Commerce, Mr. Howe, has announced that Dr. T.W. Grindley, for reasons of health, has resigned as a member of the Canadian Wheat Board.

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Canadian retail trade in May was six per cent greater in dollar volume than in May last year, 15 out of 20 trades and all regions except flood-stricken Manitoba reporting gains.

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A summary of foreign trade figures for June shows a rise in Canada's total domestic exports to \$289,200,000 from \$255,100,000 for June 1949, and an increase in estimated total imports to \$282,800,000 as compared to \$250,500,000. Domestic exports to the United States increased to \$177,700,000 as against \$113,900,000, but declined to the United Kingdom to \$52,500,000 as compared to \$60,700,000. Estimated imports from the United States amounted to \$189,800,000 as compared to \$176,900,000, and from the United Kingdom to \$36,800,000 as against \$27,000,000.

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WHEAT ACREAGE DOWN SLIGHTLY: The area seeded to wheat in Canada this year is estimated at 26,964,200 acres, a decrease of about two per cent from the estimated total of 27,540,700 acres sown last year, according to the Bureau of Statistics. The area sown to oats is up two per cent, barley 10 per cent and flaxseed 70 per cent. The acreage under rye showed little change.

The acreage of oats is placed at 11,600,000 compared with 11,400,000 in 1949, Alberta accounting for the major part of the increase. The barley acreage advanced to 6,600,000 from 6,000,000 in 1949, all provinces sharing in the rise except Nova Scotia. Rye acreage at 1,180,900 is only slightly changed from the 1949 figure of 1,181,600, while flax seedings are estimated at 541,400 acres, up sharply from 322,500 in 1949.

All-Canada potato seedings, at 508,200 acres are little changed from last year's total of 510,300 acres, declines in Prince Edward Island, New Brunswick, Ontario, Saskatchewan, and British Columbia, being offset by increases in the other provinces.



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WEEK'S EVENTS IN REVIEW

3 CANADIAN DESTROYERS TO KOREA. The following is the text of a message delivered on July 12, on behalf of the Government of Canada, to the Secretary-General of the United Nations, by the Acting Permanent Delegate of Canada to the United Nations, making available to the United Nations three Canadian destroyers for the defence of the Republic of Korea:

"With my letter to you dated June 30 I enclosed the text of a statement which was made by the Right Honourable Louis S. St. Laurent, Prime Minister of Canada, in the House of Commons in Ottawa on June 30. In the course of that statement Mr. St. Laurent declared that... 'If we are informed that a Canadian contribution to aid United Nations operations under a United Nations Commander would be important to achieve the ends of peace which is, of course, our only purpose, then the Government wishes Parliament to know it would immediately consider making such a contribution.'

"General MacArthur has now been designated by the United States as the Commander of the forces of the United Nations for the defence of the Republic of Korea, in accordance with the Security Council's Resolution of July 7.

The Canadian Government has, furthermore, been informed that destroyers can be of assistance in United Nations operations for the defence of Korea.

"Three Canadian destroyers sailed last week from the Pacific coast of Canada for western Pacific waters. These vessels are hereby made available to the United Nations and appropriate action is being taken by the Canadian Government to place them at once under the operational control of the Commander-in-Chief of the forces made available by members of the United Nations for the defence of the Republic of Korea against the aggression committed by North Korean forces.

"The Commanding Officer of these vessels is being instructed to report to the headquarters of General MacArthur and is being authorized to use the United Nations flag, in accordance with the Security Council's Resolution of July 7.

"It would be appreciated if you would bring this decision of the Canadian Government to the attention of General MacArthur as quickly as possible."

CROP CONDITIONS IN CANADA: Crop conditions in the Prairie Provinces in general have shown some improvement during the past two weeks. Grasshopper control measures have kept the situation quite well in hand in all three provinces except in some local areas of eastern Alberta. Extensive weed spraying campaigns are under way, particularly in Manitoba and Saskatchewan.

Crop prospects in Ontario have improved considerably during the past month. Heavy rains during the first three days of July in northern Ontario, southwestern Ontario and in the Ottawa area have brightened prospects still further. Parts of central and eastern Ontario, are extremely dry and precipitation is badly needed. Despite cool weather, hay and clover crops have improved recently and yields will be somewhat better than earlier anticipated.

Generally speaking, field crop prospects are good throughout Quebec, but more sunshine and higher temperatures are needed to hasten development. Haying is just getting started and present indications suggest a smaller crop than a year ago and below-normal quality in some areas. Pasture conditions are fairly good. Gardens are making excellent growth, although they are a few days late. The strawberry crop is good in the Richelieu district, but rather poor elsewhere. Dairy production has been satisfactory, but at present is tending to decline in several counties.

Heavy rains during the latter part of June and early July, following a prolonged dry spell, have greatly improved crop prospects in the Maritime Provinces.

The weather in British Columbia has been generally fine and warm during the past three weeks with only a few light showers. The soil is becoming very dry in most areas and the lack of moisture has reduced the hay crop and will affect the second cut if the drought continues. Where moisture supplies are ample, crops generally are making excellent growth. Haying is general throughout the province and fall grains are beginning to mature in some areas. Strawberry plantings are showing the effects of the hot, dry weather and a reduced crop is anticipated.

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NEW CHURCHILL LABORATORY HEAD: Dr. Kenneth Clarke Fisher, associate professor of Zoology at the University of Toronto, has been lent to the Department of National Defence and has been appointed superintendent of the Defence Research Board's northern laboratory at Churchill, Manitoba.

Throughout the war years, from 1941 on, Dr. Fisher was engaged on war research projects under the direction of the National Research Council, concentrating on operational research with the Canadian Army. During the summers of 1945 and 1946 he was head of the Canadian Army Operational Research Group at Camp Borden.

FISHERIES OUTLOOK: Marketing prospects for most of Canada's fishery products this year are encouraging, according to the federal Department of Fisheries in the "Outlook for 1950" Market Bulletin.

North American markets, which accounted for 80 per cent of the marketed value of Canadian fish last year, are expected to be stronger. Canadians themselves are expected to eat more fish as a result of continued high levels of employment and consumer purchasing power, and because fish products are lower in price than other protein foods, some of which are in short supply.

Sales to the United Kingdom for the year will probably consist only of the \$5,000,000 contract for canned salmon and token shipments of canned lobster.

Latest available figures indicate that Canada is still in eighth position in the world among fish producing countries. Canadian fishermen caught about 1,800,000,000 pounds of fish in 1949.

Canada now stands first, however, in the export value of fishery products. The inclusion of more valued species such as salmon, halibut, lobster and whitefish accounts for this result. In terms of U.S. dollars, Canada exported fishery products valued at \$102,600,000. Norway was next with approximately \$93,000,000.

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CODEFISH SALES: Satisfactory arrangements have been worked out with the United Kingdom for the sale of 1950 Newfoundland salted codfish in European markets. The arrangement announced by the Minister of Fisheries, Mr. Mayhew, continues for another year in respect of the 1950 catch the practice initiated by the Newfoundland Commission of Government with the United Kingdom prior to Confederation.

Newfoundland has traditionally sold the substantial portion of her salted cod production into the markets of Spain, Portugal, Italy and Greece. In recent years, these countries have not been in a position to make dollar purchases of salted codfish and special arrangements have been necessary. The Minister explained that the importance of salted cod to the economy of Newfoundland and the impracticability of rapid diversion to other products or other markets made these special arrangements necessary. The sterling acquired from such sales is earmarked for use in redeeming the Newfoundland debt to the United Kingdom which was assumed by the Canadian Government at the time of Confederation.

The Minister further pointed out that, in so far as the Italian market is concerned, the agreement to permit sales for sterling has been made subject to imports into Italy of substantial quantities of Gaspé cured codfish to be paid for in dollars. The Italian Government has agreed to this part of the arrangement.

EUROPEAN TRAINING CRUISE: Plans are going ahead for a European training cruise this Fall by a Special Service Squadron of the Royal Canadian Navy. They are subject, however, to alteration or cancellation, should circumstances demand, Naval Headquarters announced on July 10.

The destroyers, Cayuga, Sioux and Athabaskan, formerly scheduled to join the Squadron are now en route to Pearl Harbour.

The Squadron, consisting of H.M.C. Ships Magnificent, Huron and Micmac, is at present scheduled to sail from Halifax in late August for Londonderry, Northern Ireland. Arrangements have been made for the Canadian ships and carrier-borne aircraft to carry out two weeks of intensive anti-submarine training at the Joint Anti-Submarine Training School operated at Londonderry by the Royal Navy and Royal Air Force.

Following the departure from Londonderry, the itinerary calls for visits to Norway, Sweden, Denmark, the Netherlands, Belgium, France and Portugal, as well as to ports in the United Kingdom.

Gibraltar is listed as the last European stop before the squadron heads back across the Atlantic.

It was emphasized that the European cruise, as planned, was primarily a training venture which, in addition to providing the Canadian ships and naval aircraft with much valuable experience, would afford an opportunity to visit some of the North Atlantic Treaty countries. The Joint Anti-Submarine School at Londonderry is considered to be one of the most advanced of its kind in the world and the training obtained during the two weeks there would be entirely in line with the R.C.N.'s specialization in anti-submarine operations.

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NEW CPR FREIGHT TERMINAL: Canada's first "push button" freight terminal was opened July 6 in Montreal when the Minister of Transport, Mr. Chevrier, pulled an uncoupling pin which sent a freight car rolling into the new Canadian Pacific Railroad St. Luc Yard. The 682-acre yard, built at a cost of \$12,000,000, contains 75 miles of track and has a total capacity for 4,869 cars. Some 2,800 to 3,000 cars are expected to pass through the yard each 24-hour day.

Hump switching is automatically controlled by a push button system and the classification and speed of the freight cars are electrically controlled from a tower high above the yard. The terminal is actually three separate yards. Cars first enter a receiving yard from which they are humped into the classification yard where new trains are made up and where bad cars are despatched to repair tracks. The cars' next destination is the departure yard. A 37-stall enginehouse has been built to handle both diesel and steam locomotives and is equipped with direct steaming apparatus which will reduce smoke emission.

The terminal is the culmination of years of planning and study of traffic movement in an effort to eliminate congestion and to anticipate future growth. This CPR yard is said to be the most modern in North America.

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SECURITY TRANSACTIONS: Security transactions between Canada and other countries during April declined from the high level prevailing in the previous month, but exceeded the total volume in the corresponding month in 1949. Sales to all countries in April were valued at \$21,000,000 as against \$29,300,000 in March, and \$21,400,000 a year earlier, while the purchases totalled \$21,900,000 against \$25,100,000 in March and \$17,200,000 in April, 1949.

Cumulative transactions for the first four months of this year were \$45,700,000 higher than the total volume for the corresponding period in 1949. Four-month sales this year were \$88,800,000 as against \$65,800,000 a year earlier, and the purchases totalled \$84,300,000 compared with \$61,600,000. A cumulative sales balance of \$4,500,000 existed at the end of April as compared with net sales of approximately equal amount for the same period of 1949.

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FACILITATE CANADA-AUSTRIA TRADE: Trade between Canada and Austria may be carried on in future on either a United States dollar or a Canadian dollar basis, the Minister of Finance, Mr. Abbott, announced on July 10.

Heretofore exporters shipping to Austria have been required to obtain payment in U.S. dollars. Under arrangements made with the Austrian authorities, Austria is being designated as a "special arrangement" country. Consequently Canadian dollars will also be acceptable in payment for exports to Austria.

The arrangements also will enable Canadians to obtain permits through their banks for the expenditure of any reasonable amounts of Canadian dollars for travel to Austria. Austria is thus placed on the same basis, so far as Canadian travellers are concerned, as Denmark, France, Belgium, Luxembourg, the Netherlands, Norway, Sweden, Switzerland, Italy and countries in the sterling area.

Previously, travel expenditures in Austria were in practice made in U.S. dollars and were therefore limited by the travel ration of \$150 U.S.

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MR. PEARSALL'S APPOINTMENT: The appointment has been announced through the Civil Service Commission of Luke W. Pearsall as Director, Marketing Service, Department of Agriculture, Ottawa. Mr. Pearsall will succeed A.M. Shaw, who is relinquishing this position to devote his entire time to the increasing duties entailed in the Chairmanship of the Agricultural Prices Support Board.

**IMMIGRATION TO CANADA FOR THE
FISCAL YEAR ENDED MARCH 31, 1950**

	FROM OVERSEAS		FROM	TOTALS
	British	Others	U.S.A.	
April	2,994	5,538	560	9,092
May	2,217	6,331	636	9,184
June	2,903	8,228	836	11,967
July	1,939	7,937	740	10,616
August	1,806	5,210	835	7,851
September	1,165	2,155	854	4,174
October	1,450	5,394	708	7,552
November	1,822	3,864	666	6,352
December	644	4,053	467	5,164
January	556	2,699	455	3,710
February	855	3,728	376	4,959
March	847	4,427	527	5,801
Totals	19,198	59,564	7,660	86,422*

*Percentage Decrease From Previous Year-31.

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MR. CLAXTON TO NEWFOUNDLAND: The Minister of National Defence, Mr. Claxton left on July 6 aboard an R.C.A.F. North Star to inspect military units in Newfoundland.

The Minister held discussions with provincial officials on civil defence matters, attended the official opening of the Joint Services Officers' mess in St. John's, and spent a few days fishing in the Gander River.

Date of return to Ottawa was not definite but the return journey was to be made by way of Grand Falls and Cornerbrook, Nfld., to visit army reserve units and cadet corps. The Minister also planned to visit Harmon Field, U.S.A.F. base, on the return trip.

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ARTILLERY MEMORIAL IN SANDHURST CHAPEL:

Names of Canadian artillery officers who gave their lives in the Second World War are to be included in a Book of Remembrance honouring British gunner-officers, to be placed in the War Memorial Chapel at Sandhurst, England.

A memorial pew marked by a Royal Canadian Artillery cap badge, with the words "Royal Canadian Artillery" engraved on a scroll beneath the badge, is also planned for the chapel.

The gunners will be further honoured in Canada. At a recent meeting of the Royal Canadian Artillery Association it was decided to assist in furnishing permanent Protestant and Roman Catholic chapels to be erected at the artillery camps at Shilo, Man., and Picton, Ontario.

VOCATIONAL TRAINING AID: A total of 106 building projects increasing the facilities for vocational training across Canada have been approved for federal contribution, it was announced by the Minister of Labour, Mr. Mitchell, on July 11.

The Minister explained that under Federal-Provincial Agreements entered into in 1945, the federal Government was to provide under special circumstances \$30,000,000 over a 10-year period for vocational training development.

Mr. Mitchell pointed out that the ultimate objective of the federal financial assistance under the Agreements was to bring vocational training within the reach of all in Canada who were interested. In order to bring this about it was necessary for schools to be built at strategic points which could be reached from many surrounding districts. In a great many instances fleets of buses were owned and operated by the schools themselves to bring in students from outlying districts. In other cases, dormitory facilities were provided at very reasonable rates for students who were not residents of the immediate locality, he explained.

DISTRIBUTION OF FUNDS

Federal funds were distributed as follows: as an annual outright grant of \$10,000 to each province; the sum of \$1,900,000 each year to be divided among the Provinces; and as a special capital allotment of \$10,000,000 to be used for capital expenditures, either buildings or equipment. With the exception of the outright grant, these allotments are matched dollar for dollar by the Provinces. The annual outright grant and the annual allotment cover a 10-year period.

A report on the 106 building projects showed that 64 of these had been completed, 16 were under construction, 21 had not yet been started, and five had been withdrawn. During the present building season five more projects were being started.

Of the projects for which federal financial aid had been approved, 41 were new buildings and 54 were additions to existing buildings. Plans were not yet completed for the remaining projects.

The federal Government contributes towards the operational costs of approximately 200 day vocational schools in Canada. About 60 subject fields are covered in the programmes of these schools. These vary from aeronautics to weaving, automotives to upholstery, and include all the building trades, service occupations, commercial work, homemaking, agriculture, and such specialized fields as marine engineering, paper-making, textile manufacturing, and vocational teacher training.

The approximate total day enrolments in vocational classes in Canada amounts to 70,000 and the evening enrolments to approximately 75,000 with both of these increasing rapidly as new schools are opened.

SUPPLY SHIPS MAY NEAR NORTH POLE

CANADA-U.S. ANNOUNCEMENT: It was announced in Ottawa and Washington on July 11 that the meteorological stations in the Canadian Arctic islands that have been established jointly by the Meteorological Division of the Department of Transport of Canada and the United States Weather Bureau will again be re-supplied by ship this summer.

The re-supply expedition will be carried out by United States Navy and Coast Guard ships under the command of Captain G.E. Peterson, U.S. Navy. These ships are the USS "Edisto" and the USCGC "Eastwind", icebreakers, the USS "Whitley", a cargo ship, and the USS "LST-533", serving as a cargo vessel. Representatives of Canadian Government Departments will take part in the expedition, Mr. J.W. Burton of the Northwest Territories Administration, Department of Resources and Development, Ottawa, acting as senior Canadian representative. The senior representative of the United States Weather Bureau will be Mr. C.J. Hubbard, Chief of Arctic projects of the Weather Bureau.

SAIL IN MID-JULY

The ships are due to sail from Boston and Halifax in mid-July. The supplies will be unloaded at the central joint weather station at Resolute Bay, Cornwallis Island, and will subsequently be shipped to the more northerly weather stations by air transport, possibly next spring. It is expected that the ships will return to home ports by the end of September.

Ice conditions for water transportation in the Canadian Arctic are normally favourable for a short time each year, usually during the latter part of August and the first part of September. It is anticipated that the icebreakers and cargo ships will encounter considerable ice before they reach their main destination at Resolute, Cornwallis Island.

Should ice conditions be favourable, it is anticipated that an attempt will be made by the USS "Edisto" and the USCGC "Eastwind" to reach the most northerly weather station in Canada which is located within 500 miles of the North Pole. This new joint weather sta-

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AMBASSADOR OF THE NETHERLANDS: Mr. A.H.J. Lovink, on July 11, presented to His Excellency the Governor General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of the Netherlands to Canada.

The Secretary of State for External Affairs, Mr. Pearson, was present. Mr. Howard Measures, Chief of Protocol, presented Mr. Lovink to His Excellency the Governor General. Mr. H.F. Eschauzier, Counsellor; Mr. H.van der Vaart, Commercial Counsellor; and Mr. A.D. Vas Nunes, Second Secretary, accompanied the Ambassador.

tion, named Alert after Captain George Nares' ship which wintered in the vicinity during 1875-6, was established in April by air transport. The same icebreakers reconnoitred the station site during the 1948 summer supply expedition. If conditions are such that icebreakers cannot reach the station this summer, additional supplies will be carried in by air later this year. Time and conditions permitting, the two icebreakers may also carry supplies to the joint weather station at Eureka and reconnoitre the south coast of Melville Island where a further weather station might be established at some future date.

The USS "Edisto" will be commanded by Commander W.E. Morrison, U.S. Navy; the USCGC "Eastwind" by Captain A.O. Peterson, U.S. Coast Guard; the USS "Whitley" by Captain E.E. Garcia, U.S. Navy; and the USS "LST-533" by Commander J.E. Vautrot, U.S. Navy.

FOOD, FUEL, EQUIPMENT

The supplies to be transported to the Arctic are at present being assembled in Boston and Halifax and a number of United States and Canadian university students are employed in checking and sorting all items to ensure that the proper, all-important supplies reach the individual stations for which they are intended. The supplies include all items necessary for the maintenance of these outpost weather stations for the next twelve months. Such items as prefabricated buildings, food, fuel, weather instruments and equipment will form the main portion of the cargo which will also include certain smaller items such as books and recreational equipment designed to make life more enjoyable for those who man these outposts.

A considerable amount of refrigeration space is necessary aboard ship in order to carry perishable foodstuffs into the Arctic where they are transferred to refrigerators to avoid food spoilage.

In these Arctic regions twenty-four hours of sunlight are experienced daily from the latter part of April to early September.

Mr. Lovink is a distinguished career officer of the Ministry of Foreign Affairs of the Netherlands. He was Ambassador at Chungking from 1943 to 1947 and Ambassador at Moscow in 1947. From 1948 to 1949 he was Secretary General of the Ministry of Foreign Affairs at The Hague. In June, 1949, he was appointed High Representative of the Crown at Jakarta (Batavia), where he remained until the transfer of sovereignty over Indonesia on December 27, 1949. He succeeds Dr. J.H. van Roijen, C.B.E., who has been appointed Ambassador at Washington.

COST-OF-LIVING INDEXES MOVE HIGHER

FOOD PRICES ADVANCE: Cost-of-living indexes for the eight regional centres all moved higher during May, although variations were substantial. Sharp advances in food prices, mostly meats, were principally responsible for the changes. Indexes for other main groups generally moved narrowly. The Saint John indexes for clothing and homefurnishings and services rose moderately, reflecting the imposition of a four per cent provincial sales tax. The rental indexes continued nominal -- the results of the June survey will be incorporated in the July indexes.

Composite city index increases between May 1 and June 1 were as follows: Montreal, 2.8 to 169.0; Saint John, 2.4 to 161.8; Toronto, 1.5 to 162.1; Halifax, 0.9 to 156.4; Edmonton, 0.9 to 161.3; Winnipeg, 0.8 to 160.1; Vancouver, 0.8 to 167.0; and Saskatoon, 0.3 to 165.0. In the same interval the all-Canada index moved up 1.4 to 164.1.

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WAGE AVERAGE AT PEAK: The trend of employment in the major non-agricultural industries was slightly upward at May 1, continuing the improvement shown a month earlier, according to reports received by the Bureau of Statistics from 21,360 establishments. Aggregate weekly salaries and wages rose somewhat more than employment.

Aggregate staffs of the reporting firms increased 0.4 per cent over April 1, gains being shown in all provinces except Nova Scotia and New Brunswick where seasonal losses in some industries more than offset moderate improvement in others. The trend was upward also in 17 of the cities for which data are available. All major groups except logging showed generally heightened activity, increases ranging from 0.2 per cent in both manufacturing and mining and 0.5 per cent in communications to 4.7 per cent in transportation and 4.9 per cent in construction. The seasonal loss in logging amounted to 32 per cent, exceeding the average decline at May 1 in the period since 1920.

Accompanying the small gain in employment was a rise of 0.7 per cent in total disbursements for weekly salaries and wages by the reporting employers. There were gains in payrolls in all provinces, except Nova Scotia and New Brunswick. Average weekly earnings advanced to \$44.99 for the eight leading industries, up from \$44.88 at the first of April and \$43.19 at May 1 last year, and the highest per capita figure on record. By provinces, the per capita figures were higher in Prince Edward Island, Nova Scotia, Ontario and British Columbia than at April 1, but lower in the remaining provinces.

The following table comprises the latest city and all-Canada cost-of-living indexes:

	June 1, 1949	May 1, 1950 (August 1939=100)	June 1, 1950
Halifax.....	153.4	155.5	156.4
Saint John..	157.2	159.4	161.8
Montreal....	164.6	166.2	169.0
Toronto.....	156.1	160.6	162.1
Winnipeg....	155.4	159.3	160.1
Saskatoon...	162.5	164.7	165.0
Edmonton....	155.8	160.4	161.3
Vancouver...	162.0	166.2	167.0
All Canada..	159.2	162.7	164.1

The city indexes show changes in living costs for each city and compare the extent of the rise and fall between cities. They do not, however, compare the actual level of living costs. Indexes shown in this table do not yet include data covering Newfoundland.

BIRTHS, DEATH RATES LOWER: Total numbers of live births and of deaths in Canada during 1949 were above the previous year, but due to the rise in population both birth and death rates declined, according to preliminary figures issued by the Bureau of Statistics covering the fourth quarter of the year. The rate of natural increase remained unchanged from 1948.

The number of live births in 1949 is placed at 353,894, giving a birth rate of 26.9 per 1,000 population, as compared to 347,307 live births and a rate of 27.0 in 1948. Stillbirths totalled 7,028 as against 6,849, raising the rate to 19.9 as compared to 19.7 per 1,000 live births.

Deaths in the year numbered 121,115 compared to 119,384 in 1948, the general mortality rate declining to 9.2 from 9.3 the previous year. Deaths under one year totalled 15,158 compared to 15,164 resulting in a drop to 43 from 44 in the rate per 1,000 live births, while deaths under one month fell to 8,522 from 8,897 and the rate to 24 from 26 per 1,000 live births. The maternal death rate was also lower at 1.4 compared to 1.5 per 1,000 live births, with 504 compared to 510 maternal deaths.

The natural increase in 1949 is placed at 232,779 as compared to 227,923 persons in 1948, the rate of natural increase standing at 17.7 for both years: Marriages in the Year totalled 121,378 as against 123,314 in the previous year, the marriage rate dropping to 9.2 from 9.6.

MR. ST. LAURENT SPEAKS ON KOREA

CANADA'S OBLIGATION: Events during the last two or three years have borne a sinister resemblance to the course of international affairs during the late 1930's, the Prime Minister, Mr. St. Laurent, said in public addresses at Saskatoon and Fort Qu'Appelle, in Saskatchewan, on July 7 and July 8 respectively.

If we learned one lesson during those disheartening years, the Prime Minister continued, it was that peace and freedom could be made secure only if their defenders stood firmly together. When the last act of appeasement had been performed and we came finally to the dread decision of war, all of us had said that we would never set out again upon a futile and humiliating journey such as that which had led us to the year 1939.

It was with this in mind, he proceeded, and with both the desire and the confidence that the peace we now enjoyed might be preserved, that Canada had accepted its obligations under the Charter of the United Nations and shown its readiness to stand together with the free countries against aggression in Korea.

REVIEW OF EVENTS

Mr. St. Laurent reviewed the chain of events leading up to the morning of Sunday, June 25, when the authorities in North, Communist-controlled Korea, began armed aggression in an effort to seize control of the whole of the peninsula. North Korean forces, he said, supported by tanks and aircraft, launched a full-scale attack across the 38th parallel. The suddenness of this onslaught took the South Korean defending forces (which, in any case, had been equipped only for internal policing) completely by surprise; and the invaders, whose tanks were not opposed by any weapons of equivalent strength, rapidly descended upon the South Korean capital.

These events were immediately reported to the Secretary-General of the United Nations by the Commission which had been sent to Korea by the United Nations to observe whether or not efforts were being made in Korea to settle the political issues of that peninsula by violence. Their report was full and circumstantial and left no doubt of the fact that a deliberate, full-scale, carefully planned military invasion of South Korea had been launched by North Korean forces.

The Prime Minister emphasized that it was not the report of any one government, but of a U.N. body consisting of representatives from Australia, China, El Salvador, France, India, the Philippines and Syria. This was the situation which confronted the Security Council when it was called into emergency session on Sunday afternoon, June 25, at the request of one of its members. It was the first duty of the Security Council to deal with a breach of

the peace wherever it might occur, having as its primary object to put an end to the fighting. Consequently, the first action of the Security Council taken on Sunday, June 25, on the basis of the reports which it had received from the United Nations Commission on the spot, had been to declare the action of the North Korean forces a breach of the peace and to call for an immediate cessation of hostilities and the withdrawal of the North Korean forces. In the face of these facts, it was a clumsy but criminal effort at deceit to attempt - as the USSR was doing - to say that the Republic of Korea was the aggressor - or that the U.S.A. had acted unilaterally against the Charter of the U.N.

The North Korean forces, he proceeded, made no move to comply with the "cease fire" resolution of the Security Council. On the contrary, they pursued relentlessly the advantage which they had secured by their surprise attack and by the superiority of their armour. By Monday, June 26, it was clear to all the world that the North Korean authorities intended, if they could, to seize control of the whole of the Korean peninsula. A very grave situation had now arisen. Unless swift action were taken, the North Korean forces, by virtue of their superior equipment, would soon have brought the whole of the peninsula within Communist control.

THE SECURITY COUNCIL

In this emergency, two firm and resolute actions had been taken. The Security Council, he recalled, met again on Tuesday, June 27, and called upon all members of the United Nations to furnish such assistance to the Republic of Korea as might be necessary to restore international peace and security in the area concerned. This resolution was passed by a vote of 7 in favour, one against - the Yugoslavs, who had their own peculiar relationship to the problem of Communist expansion - and two delegations not participating because they had not had time to receive instructions. The Indian Delegation, which was one of those which had not had time to receive instructions, subsequently associated itself fully with the resolution. The other action taken in the emergency was by the Government of the United States which decided immediately to use its forces in the Pacific for the purpose of assisting the Korean Government in defending itself against the North Korean forces. These two actions taken together suddenly created hope out of despair, for until that time it had seemed that the march of Communist expansion would once again go unchecked for lack of any effective resistance.

The resolution of the Security Council of Tuesday, June 27, he said, called on all members of the United Nations to furnish assist-

ance to the Republic of Korea. As a loyal member of the United Nations, committed to the principle that the security of one affects the security of all, the Canadian Government was under an obligation to respond to this appeal. He said he was glad - and was sure that his hearers were glad also - that Canada did respond promptly and with a united voice. We made known at once, he said, that we were prepared to play our part in the collective action which might be necessary to stop aggression and to restore peace in Korea.

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LATE NEWS

Mr. L.D. Wilgress, High Commissioner for Canada in the United Kingdom, has been named Canada's representative on the Committee of Deputies of the North Atlantic Council.

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The latest crop report states that ideal conditions prevail in Manitoba, generally favourable conditions in Saskatchewan, and the situation in much of Alberta has been improved by scattered showers.

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FISHING CONVENTION RATIFIED: The instruments of ratification of the Convention between the United States and Canada for the extension of port privileges to halibut fishing vessels on the Pacific coast of the two countries were exchanged in Ottawa on July 13 by the United States Ambassador, Mr. Stanley Woodward, and the Secretary of State for External Affairs, Mr. Pearson.

This exchange brings into force the Convention which was signed in Ottawa on March 24, 1950.

Under the terms of this agreement, Canada grants to United States halibut fishing vessels the privilege of landing catches and obtaining supplies, repairs and equipment in Canadian ports on the Pacific coast. In return, the United States grants the same privilege to Canadian halibut fishing vessels in Pacific coast ports of Alaska and the Continental United States.

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WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on June 29 amounted to 100,764,700 bushels as compared with 102,430,800 a week earlier, and 70,342,500 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces during the week amounted to 4,269,800 bushels, sharply above last year's corresponding total of 1,892,400 bushels. Cumulative total for the period August 1 - June 29 was 298,556,400 bushels as against 279,439,100 in the similar period of the preceding crop year.

NATIONAL NOTES

The Prime Minister, Mr. St. Laurent, officially opened the annual Calgary Exhibition and Stampede on July 10, Calgary's 75th birthday. Mr. St. Laurent donned cowboy attire and rode in the front of the procession.

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Representatives of the federal and provincial Governments are to meet in Ottawa on August 21 for further study of plans to give Canada the power to amend its own Constitution.

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The Minister of Veterans Affairs, Mr. Gregg, announced on July 10 that eligible veterans of British and Allied armies with 20 years' residence in Canada may receive war veterans' allowance payments retroactive to April 1 if they apply by July 31. The allowance payments are made to veterans who can show need and meet other qualifications.

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The appointment of Wing Commander C.G. Ruttan, 34, DSO, of Belleville and Toronto, as Deputy Director of Air Operations, has been announced at R.C.A.F. Headquarters, as has also the appointment of Wing Commander H.G. Marriott of Ottawa and Leaside, Ont., as Postings and Careers Staff Officer at North-western Air Command Headquarters, Edmonton.

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Army Week will be observed in Canada this year from September 17, to 24, and during that week all Canadians will have the opportunity of seeing just what their army is, how it functions in peacetime, and how their defence dollars are spent.

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Louis Lemieux, B.A., M.A., of Montreal, has been appointed Dominion Wildlife Officer for the Province of Quebec it has been announced by the Department of Resources and Development.

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The Prime Minister of Australia, Mr. Menzies, will spend three days in Ottawa -- August 7 to 9, inclusive -- when he visits Canada next month, it has been announced.

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FARM PRICES CLIMB: Farm prices of agricultural products in Canada -- excluding Newfoundland -- continued during May the uninterrupted climb shown since the beginning of this year, but were slightly below May last year. The index number for all-Canada, on the base 1935-39=100, stood at 249.5 in May as compared with 248.9 for April and 250.3 in May last year.



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WEEK'S EVENTS IN REVIEW

SITUATION IN KOREA: In statements in the House of Commons, the Secretary of State for External Affairs, Mr. Pearson, reported on developments in Korea and outlined the attitude of the Canadian Government. He reviewed for members the resolutions adopted by the Security Council of the United Nations and the actions taken by the United States. On June 28, he stated in part:

"It is the firm hope of the Canadian Government, as I am sure it is the firm hope of all members of this House and of the Canadian people, that this action which has now been taken by the Security Council and by the United States Government in conformity with the resolutions of the Security Council will soon end the war in Korea and thereby make possible a fresh attempt to compose the differences which have long kept that country in a state of tension and unrest, and which have led to the present outbreak of hostilities...."

Mr. Graydon, speaking for the Opposition announced "I want to say to the Government that we are prepared to lend such support as an Opposition can lend in a situation such as this." Mr. Drew, Leader of the Opposition, reaffirmed this position stating "I feel sure that not only is no objection taken to the course that has been followed, but there is a very warm support for every step that can be taken to align ourselves with those who are seeking in this way to preserve peace."

Mr. Knowles, of the CCF, stated "we welcome the steps that have been taken to make whatever action the present situation calls for not the action of one power, but the collective action of the members of the United Nations...."

Speaking for the Social Credit Party, Mr. Low said "the Party that I represent.... will back the Minister and the Government in anything that they undertake to do to discharge Canada's responsibilities to the full in an effort to contain the trouble within Korea and to restore that Republic to its former territory...."

In answer to a request on June 29 by members of the House for a statement with regard to developments in Korea, Mr. Pearson said in part:

"In regard to the Security Council resolution.... we immediately.... got in touch through our representatives in the United Nations with other members of the United Nations to exchange views as to how best we could implement this resolution. We know of course that the most important member of the United Nations in this particular matter is the United States. It is the country best able to intervene in this matter as an agent of the United Nations and it has already, as I said yesterday, acted effectively. Therefore we have been discussing not only at Lake Success but in Washington with United States authorities what action

CANADA-UNITED STATES QUARANTINE AGREEMENT:

In a move to facilitate international travel by air and sea Canada and the United States have eliminated duplication of public health quarantine inspection requirements for ships and aircraft arriving from other countries.

Public health quarantine inspections are performed routinely at ports of entry to prevent introduction of communicable diseases by persons or by ships, aircraft or other things arriving from infected countries. Of chief concern to health authorities are the "quarantinable diseases", such as smallpox, cholera, plague, typhus and yellow fever.

In the past ships and aircraft receiving quarantine inspection in Canada had to undergo another inspection on arrival in the United States, and vice versa. The only exceptions were for vessels coming up the St. Lawrence River destined for United States ports on the Great Lakes and for vessels entering the Straits of Juan de Fuca bound for ports in both Canada and the United States. In these instances quarantine clearance issued by Canadian authorities in Montreal was accepted by United States authorities in the port of destination. On the west coast the quarantine clearance given at the first port of entry, whether Canadian or American, has been accepted by health authorities of the other country. The new undertaking makes this procedure general so that a ship or aircraft arriving at any port in either of the two countries will be exempt from inspection if it presents a duplicate certificate of inspection issued at any continental port in the other country.

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COMMONWEALTH DEFENCE SCIENTISTS MEET:

Dr. O.M. Solandt, chairman of the Canadian Defence Research Board, is attending meetings of the Commonwealth Advisory Committee on Defence Science being held in the United Kingdom, July 3 to 20. Dr. Solandt is accompanied by Dr. G.S. Field and Dr. N.W. Morton of the Defence Research Board staff.

The object of the committee is to promote scientific research relating to defence in all fields by closer collaboration within the Commonwealth. There have been previous meetings of defence scientists from the Commonwealth countries, but this is the first to take place under the constitution of the new committee and to be attended by representatives of the United Kingdom, Canada, Australia, New Zealand, South Africa, India and Pakistan.

One of the main aims of the conference is to give defence scientists of the Commonwealth an opportunity to meet and exchange views on matters of current importance. In addition to the delegates, a number of distinguished British scientists have been invited to attend parts of the conference which interest them, so that they may lend their knowledge and experience to the discussions. Chairman of the conference will be Sir Henry Tizard, chairman of the U.K. Defence Research Policy Committee.

CANADIAN REPRESENTATIVE AT OEEC MEETING:

Mr. S.D. Pierce, Associate Deputy Minister of the Department of Trade and Commerce, is representing Canada at the meeting of the Council of the Organization for European Economic Co-operation now taking place in Paris.

The scope of the new informal association between the OEEC and Canada has not been defined and this flexibility will permit it to take whatever form is likely to lead to the most fruitful results. Mr. Pierce will explore and report on the implications of the new relationship having regard for the desire of the Canadian Government to participate actively in the work of the OEEC in any way that would usefully contribute to the development of this organization as an important agency for economic co-operation between the countries of Western Europe and of North America, and for the solution of common economic problems.

It will be recalled that the idea of an informal association between the OEEC and the United States and Canada was given expression in a statement issued in London on May 18 by the Foreign Ministers of the United Kingdom, France, the United States and Canada.

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MID-YEAR INVESTMENT SURVEY, 1950:

Capital expenditures of Canadian business and governments in 1950 on new construction and machinery and equipment are likely to be about \$105 million higher than the estimate of \$3,596 million announced earlier this year. This revised estimate was released by the Minister of Trade and Commerce, Mr. C.D. Howe, in making known the results of a mid-year sample survey of investment in 1950.

The new figure of \$3,701 million is 3 per cent higher than the earlier estimate for 1950 and 8 per cent above total capital outlays in 1949. The new estimate for construction is \$2,355 million, up 13 per cent over 1949, while estimated machinery and equipment expenditures of \$1,346 million are practically unchanged from the 1949 figure. The total capital programme of \$3,701 million constitutes, on the basis of present expectations, a little more than 22 per cent of the total national expenditure on all goods and services in 1950 and illustrates the extent to which Canadian employment and income are dependent on such expenditure.

Investment by private business accounts for most of the increase over the earlier forecast. Manufacturing is up \$50 million, largely as a result of increases in the industries producing wood products, paper products, transportation equipment and non-metallic minerals. Mining is up \$20 million, the construction industry \$9 million and commercial services \$10 million. Institutional services are down \$17 million. The latter is accounted for mainly by a reduction in estimates of hospital expenditures.

About two-thirds of the increase over the first 1950 estimate of total capital expen-

ditures is for machinery and equipment and the balance for construction. Machinery and equipment expenditures have increased by \$69 million while those for construction are up \$36 million. The forecast for residential housing construction has increased by \$23 million over the earlier estimate for 1950, mainly because of the high level of building activity and an anticipated increase in building costs.

The changes which occurred are not necessarily a result of real changes in investment intentions. Many of the revisions from the earlier forecast, which was based on surveys made in December 1949, occur simply as a result of the fact that more complete information is now available. At mid-year, with work well advanced on many projects, it has been possible for management to make more accurate and complete estimates than at the time of the December survey.

Expenditures on repair and maintenance, which are given in the revised forecast at \$1,518 million, are about one per cent above the original forecast and about 2 per cent higher than the figure for 1949.

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EASTERN ARCTIC PATROL OF 1950: Plans have been announced for the 1950 Eastern Arctic Patrol which will cover 10,000 miles and will visit R.C.M.P. detachments, medical centres, government schools, trading posts, and weather and radio stations in Canada's Arctic. Members of the Patrol, working with the R.C.M.P., will organize tabulation of the census, thereby making the Eskimos the first Canadians to be tabulated in the decennial 1951 census.

This year's cruise, the twenty-eighth expedition, will be the maiden voyage of the C.D. Howe, new Department of Transport vessel, the first large ship built for service in the Eastern Arctic since the loss of the Nascopie in 1947, and the latest of several vessels which have carried the Patrol since its inception in 1922. The ship, sailing in mid-July, will call at twenty-four ports.

Six departments of the Government of Canada are taking part in the effort, either by supplying equipment, or by sending representatives on duty such as hydrographic survey, aerial photography, medical services and postal services.

The Patrol will be particularly concerned with Canada's conservation plans in the Arctic. Figures will be collected on kills of whales, walrus, seals, foxes, caribou, wolves, wildlife comprising the Eskimo economy. Mail for delivery in the Eastern Arctic will be despatched with the Patrol. The volume of mail handled during the expedition is usually about 500 bags and the service is available to the Eskimos, who like to communicate with one another in syllabic script.

The C.D. Howe is equipped with a surgery, dental office, a sick bay and X-ray apparatus. The Department of Health and Welfare is send-

ing a doctor, a dentist and an X-ray technician. During the voyage it is intended to make their services available to as many native and white residents as possible. In accord with established practice all personnel of the expedition will be checked up medically before starting, to offset any possibility of contagious disease being carried to the Eskimos. Because they lack immunity, Eskimos are very susceptible to white man's diseases. Some Eskimo families may be moved to areas where they can find a better livelihood, and special facilities have been provided on the vessel for this purpose.

It is intended to reopen the R.C.M.P. detachment at Craig Harbour, on Ellesmere Island, which has been closed since 1940. This will probably be the farthest north call of the Patrol.

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TRADE COMMISSIONER SERVICE APPOINTMENTS:

Transfers and promotions in the Canadian Trade Commissioner Service abroad have been announced by the Department of Trade and Commerce. C.S. BISSETT, Acting Canadian Consul General and Trade Commissioner at Caracas, Venezuela, has been appointed Commercial Secretary for Canada in Buenos Aires, Argentina. A.P. BISSONNET has been transferred to Karachi, Pakistan, as Acting Commercial Secretary for Canada, following three years as Assistant Commercial Secretary for Canada in Rome. M.R.M. DALE, Assistant Commercial Secretary for Canada in Sydney, Australia, will go to Santiago, Chile, as Acting Commercial Secretary for Canada. T.R.G. FLETCHER, Assistant Canadian Government Trade Commissioner in Hong Kong for the last year, has been appointed Acting Canadian Government Trade Commissioner at that post.

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AMBASSADOR TO IRELAND: The Secretary of State for External Affairs has announced the designation of the Hon. W.F.A. Turgeon, at present Canadian High Commissioner in Dublin, as Ambassador of Canada to the Republic of Ireland.

Mr. Turgeon has held many important posts in Canada and abroad. He was Attorney General of Saskatchewan and Chief Justice of that province. He was made a Privy Councillor in 1941 and has been head of Canadian diplomatic missions in Argentina, Chile, Mexico, Belgium and Luxembourg.

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NEW CONSTRUCTION IN NORTH: The Royal Canadian Engineer detachment of the Northwest Territories and Yukon Radio System is now working on what is probably the most extensive construction programme ever undertaken by the army in the Northwest Territories. Most of the work is the construction of housing, new signals stations and the development of older establishments.

(Continued on p.5)

SITUATION IN KOREA

Canada, as another member of United Nations, might appropriately take to help the government of Korea maintain itself in the face of this aggression. Also our High Commissioner in London is meeting with the Prime Minister of the United Kingdom and with representatives of other Commonwealth governments to see what can be done, to exchange views with these governments on what they are preparing to do.

"The secretariat of the United Nations, through one of its senior officials, was in touch with me... to inquire whether we could do something which they consider of some immediate importance, and that is, to supply one or two military observers to join the United Nations Commission in Korea.... The work of that Commission is of great importance, especially that aspect of it which deals with observation and report to Lake Success on what is going on. They have a lack of trained observers for that purpose, and they asked us if we could help fill the gap. I at once got in touch with my colleague, the Minister of National Defence, and we have agreed that we would make two military observers available at once for that particular duty....

CANADA'S OBLIGATIONS

"We... stand beside the United Kingdom, the United States and all members of the United Nations who accept the Security Council resolution. I do not think I can go further than that. The Security Council resolution speaks for itself. Our obligations as a member of the United Nations with respect to that resolution are just the same as if we had been a member of the Security Council and had voted for it at Lake Success.

"As to what we should do to carry out this resolution or to participate in its carrying out is something which cannot be decided in an hour or a day, as the Leader of the Opposition said a few moments ago. The situation is changing in Korea from hour to hour. Naturally any participation by ourselves in this collective effort--because that is the only encouraging feature about this whole tragic situation, that it involves for the first time genuine, effective collective effort--must be guided by events....

"We have discussed at Lake Success with other members of the United Nations how we can concert our effort in this matter. I think that is an entirely proper course to take, also I hope it will not be suggested that because I mentioned... that we were sending two military observers to Korea I necessarily wished the House to infer that that is necessarily a discharge of our responsibility....

"As it happens, I am not at this time in a position to say how our responsibilities can best be discharged so that we will carry out the obligation we have taken as a member of the United Nations in regard to this matter. But let me say that Canada will do as she

has always done: her full duty in regard to any international obligation that she has undertaken. Our obligation in this matter is one which springs from our membership in the United Nations, and that is the only obligation we have.

"That is an extensive obligation because it imposes upon us the duty and privilege of doing what we can to see that peace is preserved, not only in Korea but in any country of the world where it may be challenged.

"I think all of us in this House of Commons recognize--if we do not, then we have been blind to the events of the last twelve years--that there is no country, small or large, which is far away from Canada, and that there is no way by which we can be safe in a warring world. Therefore we must take our part in collective police action to stop trouble before it spreads. That is the purpose and the policy of the Government and, I am sure, the policy of this House of Commons in this matter. I feel confident that we shall discharge that policy with credit to ourselves and to our country."

STATEMENT BY PRIME MINISTER

On June 30 before Parliament prorogued the Prime Minister, Mr. St. Laurent stated:

"As the Secretary of State for External Affairs said...., our responsibility in this matter arises entirely from our membership in the United Nations and from our support of the resolution of the Security Council passed on Tuesday last, part of which reads as follows:

"The Security Council... Recommends that the members of the United Nations furnish such assistance to the Republic of Korea as necessary to repel the armed attack and to restore international peace and security in the area."

"Any participation by Canada in carrying out the foregoing resolution--and I wish to emphasize this strongly--would not be participation in war against any state. It would be our part in collective police action under the control and authority of the United Nations for the purpose of restoring peace to an area where an aggression has occurred as determined under the Charter of the United Nations by the Security Council, which decision has been accepted by us. It is only in such circumstances that this country would be involved in action of this kind. The House, I think, has already approved this position.

"I would add, however, that if we are informed that a Canadian contribution to aid United Nations operations, under a United Nations commander, would be important to achieve the ends of peace, which is of course our only purpose, then the Government wishes Parliament to know that it would immediately consider making such a contribution. It might, for instance, take the form of destroyers to operate with other naval units of the United Nations, though our destroyers could not in any event reach Korean waters in less than

about three weeks' time, because after all it is more than six thousand miles from Esquimalt.

"Hon. members will recall that our naval units there were to proceed to European waters for summer exercises. These arrangements will be suspended, and the move will now be made into western Pacific waters, where the ships would be closer to the area where they might be of assistance to the United Nations and Korea if such assistance were required. If the situation in Korea or elsewhere, after prorogation, should deteriorate and action by Canada beyond that which I have indicated should be considered, Parliament will immediately be summoned to give the new situation consideration.

"Meanwhile the Government, within the mandate which the attitude of the House in the last two days has given it, will do its full duty, within the measure of its power and ability, as a member of the United Nations, in common with other members, to make the collective action of the United Nations effective, and to restore peace in Korea. If this can be done--and it can--then the chances of preserving and strengthening peace over far wider areas of the world than Korea will be immensely increased."

Messrs. Drew, Knowles and Low expressed appreciation for the Prime Minister's assurances.

The U.N. Press Bureau reported that in a letter dated June 30 addressed to the Secretary General of the United Nations, John W. Holmes, Acting Permanent Representative of Canada, transmitted the Prime Minister's statement in the House of Commons on Canada's position.

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PROROGATION OF PARLIAMENT: The second session of the Twenty-first Parliament was prorogued on June 30. The Deputy Governor General in closing the session said in part:

"The North Atlantic Council has made a significant forward step by the formulation of the principle of balanced collective forces as the basis of the defence of the Atlantic community. The Government welcomes the decision to have deputies of the Foreign Ministers appointed to maintain continuity in the work of the Council.

"In order to further the economic co-operation of North Atlantic nations, Canada, along with the United States, has accepted an invitation to become associated on an informal basis with the work of the Organization for European Economic Co-operation.

"Canada was also represented at the Commonwealth meeting held in Australia to consider the means of assisting in the economic development of South and Southeast Asia....

"The Government is continuing to give close attention to the development of our defence forces. Measures have been enacted to provide for the consolidation of existing legislation with respect to the armed forces including a purely Canadian disciplinary code; and to

provide for the procurement of munitions and defence supplies. The Government was gratified by the announcement of the United States Government that a programme for the purchase of defence supplies in Canada on a reciprocal basis was being developed for the year beginning on July 1.

"Our external trade remains at a high level despite difficulties arising out of the worldwide shortage of United States dollars which continues to affect overseas markets for certain of our export products. My Ministers are giving constant attention to the removal of obstacles to the free flow of trade between our country and our traditional customers overseas

"Satisfactory discussions have been held with the Government of the United Kingdom concerning the sale of wheat after the completion of the present contract.

"A measure has been enacted to bring the powers of the Canadian Wheat Board into conformity with the provisions of the International Wheat Agreement.

"You have renewed the Agricultural Products Act and have provided legislative authority for continuing the support of prices of agricultural and fishery products where such support may be required to reduce the impact of price adjustments.

"Legislation was enacted... to bring additional workers under the protection of the Unemployment Insurance Act....

"A joint committee of both Houses of Parliament has examined carefully the whole question of security for the aged....

"The Niagara Diversion Treaty between Canada and the United States... has been approved and it is the hope of the Government that,.... it will receive the early approval of the Senate of the United States...."

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"CANADA DAY" IN CHICAGO: The Minister of Transport, Mr. Chevrier, represented the Canadian Government at the Chicago Fair of 1950, on Saturday, July 1, which was designated by the Fair authorities as "Canada Day". The programme included a welcome at the open-air amphitheatre where the Minister as representative of the Prime Minister extended the greetings of Canada.

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(Continued from p.)

Over all expenditure will be about \$500,000 and eleven construction crews with nearly 200 men will carry out the work. The biggest job will be the construction of three houses at Fort Resolution for married army personnel and their families, staff quarters for the Department of Transport and a new powerhouse. Plumbing will also be completed on a new school erected there last year. Other construction jobs are being carried out at Fort Good Hope, Norman Wells, Fort Norman, Wrigley, Fort Simpson, Fort Providence, Reliance, Fort Chipewyan, Fort McMurray and Embarras.

STATEMENT ON CANADA'S IMMIGRATION REGULATIONS

NEW IMMIGRATION REGULATIONS: In connection with estimates for the Department of Citizenship and Immigration the House of Commons heard the Minister, Mr. Harris, outline new regulations for the entry of immigrants to Canada. He stated that the principles of the government's policy remained unchanged. They were:

"Canada is to foster the growth of its population by the encouragement of immigration through legislation and vigorous administration to ensure the careful selection and permanent settlement of such numbers of immigrants as can be advantageously absorbed in the national economy. Immigration, however, must not have the effect of altering the fundamental character of the Canadian population...."

Concerning the new regulations, he stated:

"The Government has... by Order-in-Council P.C. 2856 dated June 9, 1950, which I hereby table, broadened the regulations governing the admissibility of immigrants. This Order-in-Council which (went) into effect on July 1, 1950, supersedes P.C. 2743, but does not affect P.C. 2115.

"P.C. 2856 does not affect the conditions governing the admission of British subjects as defined in P.C. 2743, citizens of Ireland, citizens of the United States and native citizens of France, who remain admissible as heretofore subject only to complying with civil and medical requirements and being able to support themselves until they find gainful employment.

"The admission of all other classes of immigrants is placed in the discretion of the Minister of Citizenship and Immigration. In the precise wording of P.C. 2856 'all other immigrants must satisfy the Minister of Citizenship and Immigration, whose decision shall be final that;

- a) they are suitable immigrants having regard to the climatic, social, educational, industrial, labour and other conditions or requirements of Canada; and
- b) they are not undesirable owing to their peculiar customs, habits, mode of life, methods of holding property or because of their probable inability to become readily adapted or integrated into the life of the Canadian community and to assume the duties of Canadian citizenship within a reasonable time after their entry.

"In co-operation with the Provincial Governments it is intended to pursue surveys already

in progress to determine the possibilities for the establishment of immigrants in their respective provinces....

"Beginning the effective date of the Order-in-Council P.C. 2856, July 1, and for the time being, it is proposed to admit the following classes without reference to the Minister:

- a) British subjects, citizens of Ireland, citizens of the United States, and native citizens of France as defined in P.C. 2856;
- b) relatives sponsored by legal residents of Canada in cases where satisfactory settlement conditions are established, such conditions to include good prospects of employment for persons other than dependent relatives;
- c) persons applying for admission to Canada for the purpose of marriage, provided the prospective husband is able to support his intended wife;
- d) agriculturists who have sufficient means to farm in Canada;
- e) immigrants individually nominated by employers in Canada who establish that their services are required; provided that the number of immigrants nominated by an employer in any one group application does not exceed 25;
- f) domestics and nurses' aides; and
- g) immigrants recommended by the Settlement Service of the Immigration Branch....

"All applications other than those previously mentioned will be referred to the Minister for consideration on their merits.

"For example, the Minister, under the new regulations, will be able to make prompt decisions with respect to such classes as:

- h) immigrants bringing capital to Canada for the purpose of establishing an industry or business;
- i) immigrants coming to Canada as artisans or small businessmen for the purpose of establishing themselves in rural areas;
- j) members of professional classes and others who are deemed capable of making a significant contribution to the economic or cultural life of Canada;
- k) group movements other than those previously defined;

and; generally speaking, with respect to all immigrants deemed to be desirable and suitable in accordance with the true intent of the regulations enacted by Order-in-Council P.C. 2856. It is to be understood that there are no changes in the existing requirements as to health, character and passports."

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CANADA'S GOLD AND U.S. DOLLAR RESERVES:

The Minister of Finance, Mr. Abbott, announced on July 5 that Canada's reserves of gold and U.S. dollars were \$1 255 million on June 30, 1950. The comparable figure for March 31,

1950, was \$1,192 million; for April 30, \$1,177 million; and for May 31, \$1,182 million. At the end of June a year ago, the corresponding figure was \$977 million. All these figures are in terms of U.S. dollars.

NATIONAL NOTES

NAVAL APPOINTMENTS: Commander David W. Groos, D.S.C., R.C.N., 32, of Victoria, has been appointed Executive Officer of H.M.C.S. Shearwater, the R.C.N. Air Station at Dartmouth, N.S.

In his new appointment, which becomes effective on July 27, he will succeed Commander Eric E.G. Boak, D.S.C., R.C.N., 33, also of Victoria, who has been Executive Officer of the Air Station for the past two years. Cdr. Boak will begin a Joint Services Staff Course late in August.

NAVY DAY: The first Saturday in October has been designated as Navy Day and the day following as Battle of the Atlantic Sunday, the Minister of National Defence, Mr. Claxton, announced.

On Navy Day, which this year falls on October 7, ships and establishments of the Royal Canadian Navy will hold "open house" to the general public wherever possible and the citizens of Canada will be given the opportunity to become better acquainted with their Navy.

On Battle of the Atlantic Sunday, naval church parades will be held in the various localities in which there are naval bases, training establishments and divisions. Special services will be conducted in churches across Canada in commemoration of the part played by the Royal Canadian Navy and by Canada's Merchant Navy in the struggle to preserve the vital ocean lifeline to Great Britain, and tribute will be paid to the naval and merchant seamen who lost their lives in the war at sea.

JETLINER TRANS-ATLANTIC FLIGHT POSTPONED: The demand for airline service trials in Canada and the United States will prevent the Jetliner from flying the Atlantic this summer, Sir Roy Dobson, President of Avro Canada, announced on June 29.

Original plans to demonstrate the Canadian-built jet transport in England and Europe have been postponed because of the increasing interest shown in the Jetliner in North America.

NEW EXPERIMENTAL FARM DIRECTOR: The appointment is announced of Dr. E.S. Hopkins as Acting Director, Experimental Farms Service, Department of Agriculture, Ottawa, pending the retirement of Dr. E.S. Archibald, the present Director.

Dr. Archibald reached retirement age in May, but his service was extended for one year to enable him to lead the Canadian delegation to the Commonwealth Agricultural Bureaux now

meeting in London, and to represent the Department at other scientific meetings in Europe. It is the intention of the Civil Service Commission and the Department of Agriculture that Dr. Hopkins will become Director of the Experimental Farms Service on the completion of Dr. Archibald's extended term of service.

DEATH OF HON. J.A. GLEN, K.C.: The Hon. J.A. Glen, K.C., died June 27. He was Speaker of the House of Commons from 1940 to 1945, Minister of Mines and Resources in the Cabinet of Rt. Hon. W.L. Mackenzie King and in 1948 was appointed to the International Joint Commission as Chairman of the Canadian section. He was first elected to Parliament in 1926. In the House of Commons tributes to his career were paid by the Speaker, and by Mr. Weir, Mr. Garson, Mr. Graydon, Mr. Bryce and Mr. Blackmore.

BALLET FESTIVAL: Canada's Third Ballet Festival will take place in Montreal next November with ballet companies from Vancouver to Halifax. Announcement has been made of the companies judged eligible to participate by the Canadian Ballet Festival Adjudicator. They are The Vancouver Production Club, Le Ballet Concert, (Vancouver); The Winnipeg Ballet; The Volkoff Canadian Ballet and the New Dance Theatre, (Toronto); The Ottawa Ballet, The Ottawa Classical Ballet; Ballet Ruth Sorel de Montreal, The Montreal Ballet, Elizabeth Leese Ballet, Ballet Entre-Nous, Les Ballets Quebec, Ballet Music Hall, Alvarez and Carlotta Ballet Dance Group, (Montreal); and the Gotshalks' Halifax Ballet.

RESEARCH ON BCG: The Minister of National Health and Welfare, Mr. Martin, reported on July 5 that further research into methods of producing BCG vaccine for the control of tuberculosis is being carried on at the University of Montreal with grants from federal health funds. BCG is scientific shorthand for Bacillus-Calmette-Guerin, a living tubercle bacillus of bovine origin developed by two French scientists, Calmette and Guerin.

The studies at the University of Montreal will concentrate on overcoming certain disadvantages in Calmette's method of producing BCG by exploring further a process used by Dubos. Studies will also be continued to develop a BCG vaccine which is more active and deprived of toxic fractions and other fractions useless in the immunization process.

COMMONWEALTH CONSULTATIVE COMMITTEE CONFERENCE

COMMONWEALTH MEETING AT SYDNEY, AUSTRALIA.

The Minister of Fisheries, Mr. Mayhew, as head of the Canadian Delegation to the meeting of the Commonwealth Consultative Committee on South and Southeast Asia, reported to the House of Commons on the Conference. He stated in part:

"At this meeting we witnessed a convincing and heartening demonstration that 'Commonwealth' is no mere name, but a term that implies unity of purpose for the good of all. And, more than that, it was clearly shown that the Commonwealth is not an exclusive club, conferring benefits only on those fortunate enough to belong to it. The programme of assistance formulated at Sydney recognizes the needs and aspirations of all countries in South and Southeast Asia.

"There were two very good reasons why Canada was represented at the conference in Sydney. First, Canada is a senior member of the Commonwealth and is anxious to assume its full share of the responsibilities of membership. Second, as five members of the Commonwealth are in this area--and as Canada is a Pacific power as well as an Atlantic power--we must look both west and east....The problems of this part of Asia are of vital concern to all Canadians...."

The Minister defined the area to be affected by the plans for technical assistance and the need for aid. He continued:

CONFERENCE RECOMMENDATIONS

"The recommendations of the conference are now being considered by the Government here and by the other Governments which were represented at the conference in Sydney.

"The final set of resolutions of the conference included the following recommendations:

- (a) It was recommended that a report should be prepared setting out the need for development, the development programmes of the countries in the area which might be expected to be completed over a period of six years ending the 30th June, 1957, and the need for external assistance in order to carry out these programmes.
- (b) It was also recommended that a Commonwealth programme of technical assistance should be established immediately to supplement the United Nations programme.

"It was agreed that all the countries in the area, Commonwealth and non-Commonwealth countries alike, should be invited, as a matter of urgency, to prepare during the next two or three months a plan of economic development. These various plans, prepared by individual countries, would then be considered and consolidated at the next meeting of the Consultative Committee which is to take place in London in September.

"I perhaps need to point out why this programme represents a distinct advance. There have been many plans produced by individual countries. What has not yet been produced is a single plan of co-ordinated development. This consolidated plan will define the needs of the area and also define a programme of economic development designed to meet them....

"The needs of the area, in spite of its great natural resources, are enormous and pressing. They must, however, be activated and made articulate. And there must be a clear programme of economic development if these countries are to have any hope of bettering their standards of living and of attracting assistance from outside the area to that end.

"When such a plan has been prepared and carefully examined it will be possible to determine what external assistance will be required. Indeed, it is already being provided, at least in part, by the United States, the United Kingdom, and through a number of international agencies, notably the International Bank. More help will probably be necessary. But before determining its scale or the form it should take, a clearer picture must be drawn of the needs of the countries in the area and what they, themselves, can do to meet them.

SELF-HELP NEEDED

"For there can be no question that the chief responsibility for fostering economic development must continue to rest within the countries concerned. Economic development is essentially a matter of growth and the creation of a favourable environment; and this is primarily of domestic concern. A favourable environment depends on many things--a suitable fiscal policy; conservation of resources for the most important uses, and an intelligent timing of the projects to be undertaken. The initiative in creating all of these must come from within.

"When all possible steps have been taken within the countries concerned, however, it is virtually certain that external assistance will still be required. It will then be for countries outside the area to decide whether or not they can assist.

"I made it clear several times during the conference that Canada's ability to be of help would be severely restricted by its other international commitments. I explained that we had undertaken heavy responsibilities in the North Atlantic area, and that these responsibilities must be a first charge on whatever resources we might be able to devote to assistance abroad. On the other hand, I added that the existence of these prior commitments did not mean that we intended to overlook our responsibilities in other quarters of the globe. The statement of needs and resources

which is being prepared will provide a basis for decision by the Canadian and other governments.

"In one field, however, it was agreed that further action need not wait on the completion of the plan which I have mentioned. It was decided to inaugurate, without delay, a Commonwealth technical assistance scheme for the area to organize technical assistance on a bilateral basis between governments. The aggregate of assistance involved would be £8,000,000 sterling over a period of three years....

"Technical assistance extended in this way would be supplementary to that provided through the United Nations. The estimates will also have revealed that the Canadian contribution to the United Nations expanded programme on technical assistance should be \$850,000 for the first eighteen months of its operation.

FORMS OF ASSISTANCE

"It seems to me that one of the most useful things we can do to assist in the economic development of countries in South and South-east Asia is to supply them with technical assistance. I would like to see a much larger number of Canadian experts and technicians travelling to that part of the world to put their skills at the disposal of peoples who are not so far along the path of economic development as we are. I would also like to see a much larger flow of students from India, Ceylon, Pakistan, Malaya and other countries coming to Canada to study in our universities and agricultural colleges, and also to be trained in some of our great industrial undertakings.

"Money will be needed in order to stimulate this flow in both directions. But, in addition to money, we will need a great deal of patient effort in making arrangements here in Canada to expand the available vacancies for students from abroad and in removing the obstacles which now hinder the flow of experts to other countries....

"The end result will be a freer flow of knowledge, goods and services in both directions.... We can help in another way. . .

"I think it is time that our Canadian businessmen gave some thought to the possibility of setting up agencies in other countries, and particularly in this part of Asia, where they could produce and package goods that would sell in Canada and in other dollar countries....

"By...encouraging a new flow of goods from these countries to North America we would be helping to solve the difficult exchange problem between the dollar and sterling areas. Opening up new markets here for these countries will make it possible for them to purchase more from us in return...."

In connection with the plans for aid to South and Southeast Asia and various programmes for technical assistance, the Secretary of

State for External Affairs, Mr. Pearson, explained:

"One (plan) is the United States form of technical assistance which they are working out by bilateral arrangements with other countries, mostly in Latin America. The other is popularly known as President Truman's 'Point Four Programme', which has now been taken over by the United Nations, and the arrangements for which are being considered by the Economic and Social Council of the United Nations which meets in Geneva next week. We have participated in the preliminary meetings of the committee which had been discussing this matter, and we shall participate in the discussion at Geneva next week. Under the United Nations scheme for technical assistance, which my hon. friend mentioned a short time ago, we are asking Parliament to contribute the sum of \$850,000 in the supplementary estimates that are before us. That scheme, if it is not handled in the right way, may overlap with the programme of the Commonwealth technical assistance arrangements which have been described this morning, and to which we are asking Parliament to contribute this year \$400,000. When the consultative Commonwealth committee meets in London in September next we will try to make sure that the contributions that were made to that scheme are dovetailed into and do not overlap anything that the United Nations may do...."

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PARTIAL RECOVERY OF CANADA'S RELIEF LOANS:

In a statement to the House of Commons the Parliamentary Assistant to the Minister of Finance, Mr. Sinclair, gave an account of the settlements reached by Canada with European countries for military relief claims. He pointed out that Canada's share in relief supplies had been five per cent of the entire sum and that its net claim against nine countries amounted to \$67,388,496.50 (U.S.) of which 59 per cent was recovered.

As a result of negotiations and consideration of post-war financial problems Canada was reported to have settled its claim of \$14,099,724 from The Netherlands for \$5,733,966 with payments to be made over a ten-year period. Belgium paid \$7,106,085 (U.S.) settling the claim for \$7,822,463. Luxembourg had paid its \$439,309 claim in one cash payment of \$365,000. Canada had received \$4 million, payable in francs, from the French as an interim payment. Denmark had paid \$492,588 of Canada's claim of \$565,200 and Norway settled for \$850,000. Negotiations were said to be continuing on the Italian claim which was placed at \$28,400,000. Claim on Greece was for \$612,352 and in Mr. Sinclair's opinion "one thing we have in Greece is a tremendous fund of gratitude. . . If we get no other payment. . . I think Canada will have been well repaid." Yugoslavia was said to have paid two-thirds of its debt in local currency amounting to \$150,000.

MAY EXPORTS TO UNITED STATES SET RECORD:

Canada's domestic exports to the United States in May reached an all-time peak value for a month, continuing the upward movement which has characterized the flow of goods across the border in the previous six months. Shipments were also higher to Latin American countries.

These gains were offset to a large extent by declines in shipments to the United Kingdom, the Union of South Africa, to Continental European countries, and other foreign countries. The net result was a moderate rise over a year earlier in the overall value of exports to all countries.

Shipments to the United States rose in May to \$175,290,000 from \$121,199,000 in the corresponding month last year, a gain of almost 45 per cent.

Exports to all countries in May were valued at \$287,000,000, highest monthly total since November last, as compared with \$205,500,000 in the preceding month and \$272,900,000 in the corresponding month last year. Gains in March and May were not sufficient to offset declines in January, February, and April, and the aggregate value for the January-May period this year was slightly lower at \$1,141,402,000 as compared with \$1,169,552,000 a year earlier.

Exports to the United Kingdom fell in the month to \$48,665,000 from \$72,403,000 last year, and in the five months from \$274,887,000 to \$183,561,000. There were declines in May in all group totals except non-metallic minerals.

TO COMMONWEALTH COUNTRIES

Exports to other Commonwealth countries fell in the month to \$24,100,000 from \$32,900,000, and in the five months to \$81,200,000 from \$137,400,000. Exports to Commonwealth countries in America were down in the month to \$2,838,000 from \$5,422,000, decreases being general for the individual countries. Mainly as a result of a sharp decline in exports to the Union of South Africa, the Africa total was reduced from \$13,795,000 to \$4,301,000. Exports to Commonwealth Asia were up in the month to \$11,414,000 from \$9,427,000, increases in the value of shipments to India and Ceylon accounting for the rise. Oceania's total was also up to \$3,996,000 from \$2,974,000, Australia's total being higher and that for New Zealand lower.

Exports to the Latin American countries as a group rose from \$11,852,000 in May last year to \$13,721,000, but were slightly lower in the five months at \$46,871,000 against \$48,448,000.

Exports to Europe were down in May to \$18,854,000 from \$24,982,000 a year earlier, and in the five months to \$59,759,000 from \$87,033,000. There were decreased shipments to the majority of the larger markets, Norway and Switzerland being exceptions. Exports to other foreign countries were lower at \$5,590,000 against \$8,369,000, higher values being shown for Japan, but decreases for Israel, the Philippine Islands, and Turkey.

COST-OF-LIVING INDEX AT NEW HIGH:

The Bureau of Statistics cost-of-living index, on the base 1935-39=100, advanced to a new high of 165.4 at June 1 as compared with 164.0 at May 1. The index stood at 160.5 on June 1, 1949. The latest increase was due almost entirely to higher meat prices which advanced the food index from 204.6 to 209.0. On average, fresh pork prices rose 6.3 cents per pound, beef prices 3.2 cents, lamb 4.4, and veal 1.9. Among other foods, butter declined 1.5 cents, while fresh vegetables and lemons rose slightly.

The index of clothing prices declined 0.1 points from May 1 to 180.7, as lower prices for women's wear proved more important than slight increases in men's wear, piece goods and footwear. Home furnishings and services moved up from 166.4 to 166.9 as a result of increases in galvanized ware and telephone rates in British Columbia.

Fuel and light eased from 137.5 to 137.1, reflecting slightly lower prices for coal and coke. The miscellaneous group moved up 0.1 points to 132.4, due mainly to higher prices for automobile tires. The June rent index remained nominal at 132.7, whereas the July index will incorporate the results of a June rental survey.

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JULY 1 GREETINGS TO CANADA

On the occasion of the celebration of Dominion Day, greetings and best wishes were conveyed to the people and Government of Canada from many countries. The Department of External Affairs reported messages from the Prime Minister of India to the Canadian Prime Minister, from the Governor General of Pakistan to the Governor General of Canada, from the Queen of The Netherlands to the Prime Minister by letter from the Chargé d'Affaires ad Interim in Ottawa, and from the French Foreign Minister to the Prime Minister. The President of the Philippines also sent felicitations. Diplomatic representatives in Ottawa of Italy, Mexico, Switzerland, Lebanon, Chile, Cuba, Greece, the USSR, Haiti and Brazil, extended their governments congratulations to Canada. Messages were also received from Argentina and the Republic of China.

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DOWNSVIEW AIRPORT TO BE EXPANDED:

The RCAF has purchased the 375-acre Dufferin Construction Company stock farm to permit a 1,000-foot expansion of Downsview Airport near Toronto, it was announced on July 5 by the Minister of National Defence, Mr. Claxton.

Mr. Claxton also announced formation in Toronto of Canada's eleventh auxiliary squadron. The squadron will be formed sometime this autumn and will operate from Downsview airport, with headquarters at RCAF Station, Toronto. The new unit will be known as 411 Fighter Squadron and will perpetuate the famous Grizzly Bear Spitfire squadron of the Second World War.



MISS LAURA BEATTIE

CWB-5

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WEEK'S EVENTS IN REVIEW

PLANS FOR INDUSTRIAL PREPAREDNESS: The Minister of Trade and Commerce, Mr. Howe, announced on June 22 that arrangements are being made with the Canadian Industrial Preparedness Association under which the services of Major-General G.B. Howard, O.B.E., General Manager of the Association, will be available to the Government on a consultative basis for planning with industry the use which might be made of Canadian industrial facilities in the event of an emergency.

Mr. Howe said that recent developments in the international field and in our relations with the United States have considerably improved the possibilities for useful action in dealing with the particular problem of telling Canadian manufacturers what and how much it might be necessary for them to make if trouble comes.

In the first place the nations of the North Atlantic Pact, Mr. Howe said, are pressing forward with their study of their total requirements and of the sources available for meeting them. The North Atlantic Treaty members are also proceeding toward the standardization of arms which, for a country like Canada, is a most important development in planning the use of facilities. Since it is difficult to know in advance which of our Allies will be using the weapons we will produce, it is obviously of tremendous advantage

if we can plan to produce something which all of them can use.

In the second place, there has been great advance in recent weeks in furthering our common defence aims with the United States. The Secretary of Defence of the United States recently announced a programme for reciprocal procurement of defence supplies with Canada. We expect, said Mr. Howe, that this programme of reciprocal procurement will not only take into account the immediate needs of the United States Services and the present supply position in Canada, but that consideration would be given to the role which each country should play, if war came, as a supplier of munitions to the allied cause.

Up to the present, he said, we have felt that there is little that usefully could be done in the field of production allocation.

He said that the outstanding feature of our wartime munitions and supply position is that we have a very great productive capacity and a comparatively small requirement for our own Armed Services. Since we are able to make between three and four times as much as we need in most lines for our own Forces, the rest of our production is available for our common defence effort.

"This characteristic -- a great capacity and a small requirement -- makes it impossible for us", said Mr. Howe, "to be self-contained

(Continued on p. 5)

CABLE REGULATION CHANGES: As a result of decisions taken at the International Telegraph Conference held in Paris in 1949, the Minister of Transport, Mr. Chevrier, on June 23, announced that a number of changes have been made in the Cable Regulations with effect from July 1, 1950, with all countries and by all overseas routes, viz., Canadian Overseas Telecommunication Corporation (Ex-Marconi Radio and Imperial Cables), Commercial and Anglo American Cables.

The principal changes in the regulations are:-

1. The unification of the Full-rate and CDE classifications resulting in a considerable reduction of the present Full-rate charges. Full-rate messages containing both CDE and PLAIN LANGUAGE words will be accepted. CDE words counted at the rate of 5 characters to the word and PLAIN LANGUAGE words counted at the rate of 15 characters to the word.

2. The elimination of the DEFERRED (LC) classification.

3. The establishment of LETTER TELEGRAMS (LT), replacing the present NIGHT LETTER TELEGRAM (NLT), and DAY LETTER TELEGRAM (DLT), at ONE-HALF the new unified rate with a minimum of 22 chargeable words, including the indicator LT.

4. The text of LETTER TELEGRAMS is limited to the use of PLAIN LANGUAGE, each word having the meaning normally assigned to it; the use of contractions of PLAIN LANGUAGE is not permitted in this classification.

As a result of these changes, the Intra-Commonwealth Social Telegram service (GLT), which has been in effect for several years by special arrangements, has also been modified. One-half of the new unified rate will apply to this class of service the same as for Letter Telegrams (LT) except that there will be a minimum charge as for 10 words, excluding the indicator instead of 22 words as in the Letter Telegram service, including the indicator.

Simultaneously, with the introduction of these changes, the Canadian telegraph companies, the Canadian Pacific Telegraphs and the Canadian National Telegraphs will abolish the Zone differentials at present being applied across the country and will introduce flat rates.

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OFFICIAL HISTORY OF ARMY. The official history of the Canadian Army in the Second World War is being written in Ottawa under the direction of Col. C.P. Stacey, OBE.

Day after day, without fuss or furor, the stirring tale is being unfolded and put together in book form. When complete, it will fill four large volumes and be as exciting as any adventure novel.

Work on the first two volumes, one dealing with the Army in Canada, the United Kingdom and the Pacific, and the other the story of the fighting in Sicily and Italy, is nearing completion. The third, covering the campaign

in Northwest Europe and the fourth, treating Canadian military policy in the Second World War, still are in the planning stages but considerable progress has been made amassing material for the story of the fight in Europe.

The Historical Section also is working on a two volume medical history of the war covering the three Services -- Navy, Army and Air Force. The author, Dr. W.R. Feasby of Toronto, has one volume completed but for printing and has begun work on the second volume. Publication of this history also is under the direction of Col. Stacey.

As Director of the Historical Section, Col. Stacey two years ago published a 350-page historical summary of the Canadian Army's operations in the war. The book received the Governor General's award for academic non-fiction for that year and to date has sold over 10,000 copies in French and English.

Canadian and Allied official records, war diaries of all units, the Crerar German Military Library and captured enemy maps and documents on file in Ottawa, Washington and London are being used to complete the two histories.

It's a big job but an interesting one, according to Col. Stacey. "Sometimes," he admits, "it takes weeks and even months to definitely locate one vital bit of information. But we find it."

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ICAO ASSEMBLY CONCLUDED: The Assembly of the International Civil Aviation Organization has concluded its fourth session after meeting for the past three weeks in Montreal. During this time the governing body of the world organization has reviewed the entire field of international air transport and has approved the Report of the ICAO Council on the work accomplished during the past year. The Assembly also elected a new Council of twenty nations to serve as ICAO's executive body for the next three years.

Dr. Edward Warner was unanimously re-elected for a three-year term as President of the Council of the International Civil Aviation Organization on June 22.

Dr. Warner served from 1947 to 1950 as President of the First Council of ICAO, and from 1945 to 1947 as President of the Interim Council of the Provisional International Civil Aviation Organization. A citizen of the United States, he has been connected with aviation for the past forty years. He was successively chief physicist in charge of aerodynamics at the United States' Advisory Committee for Aeronautics' experimental laboratories, Professor of Aeronautical Engineering at the Massachusetts Institute of Technology, Assistant Secretary of the United States Navy for Aeronautics, editor of the magazine Aviation, private consultant in aeronautical engineering and economic problems of aircraft design and operation, and member and Vice-Chairman of the United States Civil Aeronautics Board.

Dr. Warner was responsible for much of the preliminary organizational work that went on before the International Aviation Conference was held in Chicago in 1944 for the purpose of setting up an authoritative body to establish standards and controls for the development of post-war civil air transport and attended this conference as a delegate of the United States.

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VISITING SCIENTISTS: Professor Jean Coulomb, University of Paris, France and Svend E. Saxov, UNESCO Fellow, from Denmark have joined the staff of the Dominion Observatory, Department of Mines and Technical Surveys, for the summer months where they will carry out geophysical studies.

Dr. C.S. Beals, Director of the Observatory explains that this is part of a plan which promotes the exchange of information between the scientists of Canada and other countries.

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JOINT PACIFIC NETWORK OF OCEAN WEATHER SHIPS

CANADA-U.S. ANNOUNCEMENT: The establishment at an early date of a joint Pacific network of ocean weather ships has been agreed upon by the Canadian and United States Governments, it was announced on June 23 at Ottawa and Washington by the Minister of Transport, Mr. Chevrier, and Dean G. Acheson, Secretary of State.

Agreement has been reached on a plan to establish a network of seven stations across the North Pacific, to provide an interim programme until a broader international agreement can be worked out by the International Civil Aviation Organization.

Five weather stations (called "N" for Nan, "O" for Oboe, "Q" for Queen, "S" for Sugar, "T" for Tare) are to be operated by the United States, and one, Station "P" for Peter, by Canada. The Japanese Government will continue to operate a station "X" for X-ray in the far western Pacific.

CONCENTRATE ON PACIFIC

The Canadian Government has been operating an Atlantic Ocean weather station at position "B" for Baker, off the Labrador Coast, on a joint basis with the United States Government. Under the new agreement, the United States will take over complete operation at "B" for Baker, allowing Canada to concentrate her full efforts on the Pacific.

The new agreement is in full conformity with previous international agreements on the establishment and maintenance of weather ship networks on both the Atlantic and the Pacific.

The agreement marks a significant step forward in ensuring better weather forecasts for both countries, as well as further guarding the safety of trans-oceanic aviation and shipping.

Establishment of the joint Canadian and United States network of Pacific ocean weather

NATIONAL NOTES

Decision was reserved on an appeal to the Cabinet by seven provinces against recent freight rate increases.

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Cléophas Soucy, 71, whose ornamental carvings adorn the inside and outside of the Parliament Buildings, died on June 21 in Ottawa.

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The time has now come when the federal Government must finance, on a generous scale, the professional training by universities of physicians, surgeons, engineers, agriculturists, and forestry specialists, Dr. F. Cyril James, Principal and Vice-Chancellor of McGill University, writes in a special "mid-century" issue of the McGill News.

stations entails the operation by Canada of three weather ships on station "P" for Peter in the Pacific Ocean, the Minister of Transport announced in amplification of the joint statement.

He said that Station Peter will form part of a six-station network that will operate in the Pacific in co-operation with United States. The seventh station in the far western Pacific will be operated by the Japanese Government.

In his further announcement, Mr. Chevrier stated "that this will mark another significant step forward on our part in international meteorology, and constitutes the fulfillment by Canada of her commitment to the international weather ship programme." Station "P" for Peter will be located at latitude 50°, longitude 145°, the location of which lies about 1,000 miles due west of Vancouver and 730 miles to the south-west of Prince Rupert.

"Our meteorological service will take part in this new operation with a background of experience," said the Minister, "because we have maintained oceanic weather patrol in the Atlantic with the joint operation of Station "B" for Baker by the weather ship 'St. Stephen' off the Labrador Coast. With the United States taking over the full operation of Station Baker, Canada's weather service will be able to concentrate its complete oceanic weather patrol services on this new Pacific ocean weather station.

SUBSTANTIAL SAVING

"It was originally planned that Canada would be asked to maintain half a station on both the Atlantic and Pacific Oceans," said the Minister, "but now Canada's efforts will be unified on the one ocean. This will effect a substantial saving to the Canadian people in operating expenses, by having one supply base rather than two, thus avoiding duplication of

equipment and fuel depots and refitting services."

Since weather systems in general move from west to east, Canada has long felt the need of a check point off the Pacific Coast. The surface and upper air information provided by Station "P" will enable weather forecasters to get accurate information on storm centres long before they reach the coastal regions. These weather reports will aid materially in the prediction of gales and storms in British Columbia and the western provinces and will indirectly benefit weather forecasts for the entire country. They will also assist in the forecasting of flying conditions on the West Coast, over the Rockies, and along the new C.P.A. routes from Vancouver to Hawaii, and from Shenya in the Aleutians to the B.C. mainland.

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3,360,000 HOUSEHOLDS: Between June, 1941, and June, 1949, the number of families in Canada increased by slightly more than 26 per cent and the number of households by slightly more than 24 per cent, according to estimates by the Bureau of Statistics. Since 1947, however, the rise in number of households has exceeded the increase in number of families.

The estimated number of households in June, 1949, was 3,360,000, an increase of 125,000 or 3.9 per cent over the estimated 3,235,000 in June, 1948, and 232,000 or 7.4 per cent over the estimated 3,128,000 in June, 1947. In comparison, the estimated number of families was 3,187,000 in June last year, showing a rise of 99,000 or 3.2 per cent over the estimated 3,088,000 a year earlier and 150,000 or just under five per cent over the total of 3,037,000 in June, 1947.

From 1941 to 1947 the average size of household declined from 4.2 to 4.0 persons and in 1949 had fallen still further to 3.9 persons. The average size of household in 1949 was largest in Quebec at 4.6 persons and smallest in British Columbia at 3.2 persons. The average size for the Maritime Provinces was 4.2 persons; Ontario, 3.6; and the Prairie Provinces, 3.7 persons.

During these years the average size of the family has also declined, dropping for all Canada from 3.9 in 1941 to 3.8 in 1947 and 1948 and still further to 3.7 in 1949. The downward trend has occurred in all regions of Canada, being reflected in an increasing proportion of families in the smaller size group. In 1949 families of two to four persons constituted 75.2 per cent of all families as against 70.8 per cent in 1941.

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EXPORTS TO U.S. AGAIN RISE: A summary of foreign trade figures for May released by the Bureau of Statistics shows a rise in total domestic exports to \$287,000,000 from \$273,000,000 for May 1949, and an increase in estimated total imports to \$290,100,000 as com-

pared to \$250,500,000 a year earlier. Domestic exports to the United States rose to \$175,300,000 as against \$121,200,000, but to the United Kingdom declined to \$48,600,000 as compared to \$72,400,000. Estimated imports from the United States amounted to \$196,400,000 as compared to \$172,100,000 and from the United Kingdom to \$35,700,000 as against \$29,500,000. The import figures are only preliminary and therefore subject to revision.

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PRODUCTION

Production of coal in Canada rose to an all-time record total of 19,120,000 tons in 1949, four per cent higher than the 1948 output of 18,450,000 tons, and one per cent above the previous peak of 18,865,000 tons recorded in 1942.

Total output of industrial, office, household and business machinery (including electrical machinery) by Canadian plants was 20 per cent greater in value in 1948 than 1947, rising to \$346,146,300 from \$286,238,500.

Estimated quantity of milk produced on Canadian farms in April amounted to 1,334,000,000 pounds, showing an increase of 1,000,000 pounds over the same month last year.

The gross value of products turned out by the interior lumber industry of British Columbia in 1948 was \$41,404,000, showing an increase of 25 per cent over the preceding year's figure of \$33,069,000.

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LAKES, RIVERS WAR MEMORIALS: More than 300 lakes and rivers in Canada have been named or re-named for Canadian war heroes who gave their lives in the Second World War.

Unique in Canadian war memorials, the lakes and rivers bear mute testimony to the sacrifice paid by men of all ranks of the Navy, Army and Air Force. Selected by the Canadian Board of Geographical Names, Department of Mines and Technical Surveys, from the long list of men killed in action the new designations are helping officials of mapping and charting organizations complete the task of naming the countless lakes and streams in the lesser known reaches of the country.

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TRANS-CANADA HIGHWAY: The Minister of Resources and Development, Mr. Winters, and the Honourable E. S. Spencer, Minister of Public Works, Newfoundland, announced jointly on June 23 that the Province of Newfoundland has signed the Trans-Canada Highway Agreement with the federal Government.

(Continued from p. 1)

PLANS FOR INDUSTRIAL PREPAREDNESS

in our planning. We can not base our planning, as most countries do, on the requirement of our own Services, because we need so little in most lines in relation to our capacity that we would not be justified in setting up production".

He pointed out that there are important exceptions, notably in shipbuilding and aircraft production. Here the same firms that build ships and planes in wartime build them in peacetime. Here the Government had been able to let contracts and make plans which have a close relation to wartime production. He referred to the escort vessel programme, the jet engine programme, the jet fighter and transport programmes and the programme for the F-86.

NEEDS OF OTHER COUNTRIES

"However, in the munitions field generally, we must depend", Mr. Howe said, "largely on the requirements of other nations before we can do much useful planning. We have been making every effort to learn what the requirements of other countries are likely to be, but up to the present international planning has not been sufficiently developed to provide this information.

"With the advances in North Atlantic Pact planning," said Mr. Howe, "and in our working arrangements with the United States, we feel that we now can, and we now intend, to deal with the practical problems of production planning for emergency procurement.

"Since production allocation is a preliminary to emergency procurement, the production planning will be handled by a special division of the Canadian Commercial Corporation, the Crown Company which places contracts to meet the requirements of the Canadian Services and of foreign governments. This appears to us a logical extension of the work which the Canadian Commercial Corporation is now doing and a useful preparation for the work which it might be required to do in an emergency."

Mr. Howe made clear that no change was involved in the present methods of procurement or in the planning work that has been done in the other fields. He also made it clear that the work did not involve either the negotiation or the letting of any contracts at the present time.

"What we envisage", said Mr. Howe, "is that as requirements for important items become known, we will investigate the possibility of producing them in an emergency in specific plants. We hope to hold talks with individual firms to determine whether the item could be made in their plant and what would be a reasonable production schedule. Then when trouble was in sight, contract negotiations could be begun with those firms on an agreed item and on an agreed rate of production"

Mr. Howe emphasized that the work would be conducted with industry in this area on a

purely voluntary basis. "We want", he said, "to match up what we know with what industry knows. It is hard to say how many decisions we may be able to make. We will try, with industry's help, to make as many as we can as soon as we can".

CO-OPERATION APPRECIATED

Speaking of the arrangements with the Canadian Industrial Preparedness Association, under which the services of General Howard as a consultant would be available, Mr. Howe said: "We greatly appreciate this further evidence of the co-operation of the Canadian Industrial Preparedness Association with the Government in emergency planning with industry. The Association has already done a great service in marshalling industry for the job that might lie ahead of it. We trust we can count on its continued co-operation.

"One of the Association's many activities is to conduct a survey of plant facilities and possibilities. The results of this survey should prove most useful in the work of matching up the probable requirements with the facilities available for production.

"General Howard's experience should be of great value to us -- his experience in the Canadian Army; as Controller General of the Inspection Board, United Kingdom and Canada, during the latter part of the war; and since its inception some three years ago, as General Manager of the Canadian Industrial Preparedness Association".

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MR. GOULET AT ILO: Paul Goulet, O.B.E., Director of International Labour Organization Branch of the Canadian Department of Labour, attending the Plenary Session of the 33rd International Labour Conference, now meeting at Geneva, Switzerland, spoke recently for the Canadian Delegation in the general discussion on improved industrial productivity throughout the world.

Referring to productivity advances in Canada in recent years Mr. Goulet said, "This increased industrial productivity in Canada has been made possible by the efforts of enterprising management, and also by the development within Canada of an increasingly skilled working force."

Mr. Goulet pointed out that the Government has a twofold role in relation to the problem of increasing productivity. "On the one hand," he said, "it is essential to give free rein to the creative aspects of business enterprise. and on the other, it is highly important to ensure essential security for individuals in a dynamic economy."

The spokesman for the Canadian Delegation pointed to the increasing acceptance by Governments of policies designed to remove the fears of the workers attendant on technological progress. He characterized this as one of the most significant social advances of our time.

THE WEEK IN PARLIAMENT

STATEMENT ON KOREA: In reply to a question by Mr. George A. Drew, Progressive Conservative Leader, the Secretary of State for External Affairs, Mr. Pearson, made a preliminary statement in the House of Commons on June 26 on the situation in Korea. The brief discussion was as follows:

Mr. Drew: "I should like to direct a question to the Prime Minister or the Secretary of State for External Affairs. In view of the extremely serious situation which has developed over the week end in Korea, and the action of the Security Council of the United Nations, in which all of us are so deeply interested, will the Prime Minister or the Secretary of State for External Affairs inform the House as to any details which will be of assistance to us in appreciating the situation so far as Canada is concerned?"

Mr. Pearson: "Mr. Speaker, I am not able to give a very full report on this matter at the present time. Information is continuing to come in. As hon. members know, we do not have our own representative in Korea; therefore for our information we rely on our representative at the United Nations, who is in close touch with the United Nations agencies concerned with this matter, and on friendly governments who are represented in Korea itself.

"It appears, however, from the information which is now available that an unprovoked aggression has been committed by the forces of the Government of North Korea, which we have not recognized, against the Government of the Republic of Korea. Information which would substantiate that statement has been received by the United Nations Secretary General from the United Nations Commission stationed in Korea which has reported on this incident to Lake Success. As a result of that report, as hon. members know, a meeting of the Security Council was called yesterday. At that meeting a resolution was passed by unanimous vote, nine to nothing, with Yugoslavia abstaining and the U.S.S.R., of course, absent."

(Mr. Pearson, at this point, placed on record the resolution passed on June 25 by the Security Council of the United Nations determining that the armed attack of North Korean forces upon the Republic of Korea constituted "a breach of the peace," calling for "an im-

mediate cessation of hostilities," and withdrawal of the North Korean forces).

Mr. Pearson proceeded: "That is the resolution passed by the Security Council yesterday. I feel certain that it will commend itself to all members of the House, and I hope that as a result of the intervention of the United Nations some effective action may be possible in this very difficult situation to restore peace to that area, having in view, as the Security Council itself has stated, that the action taken by the North Korean forces constitutes a breach of the peace, and in spite of any reports we may receive to the contrary seems to have been an action of unprovoked aggression."

Mr. Gordon Graydon, Progressive Conservative, Peel: "Are there Canadian missionaries and others in Korea? If so, is there anything the Canadian Government can do to protect their interests or safety at this time?"

Mr. Pearson: "We have been looking into that matter already to see what we can do to protect, if protection is needed, Canadian nationals in Korea. We have not exact information as to the number, or indeed whether there are any Canadians in the area affected, but as soon as we receive that information we will take whatever steps are open to us to safeguard them to the best of our ability."

Mr. Graydon: "Are there Canadians on the United Nations Commission in Korea?"

Mr. Pearson: "There are Canadian members of the Secretariat of the United Nations Commission on Korea. Those three Canadians are there now, and there is one Canadian married to a member of the Secretariat. We have been in touch with the Secretariat as to their welfare, and we have been told they are in no immediate danger."

Mr. Howard C. Green, Progressive Conservative, Vancouver-Quadra: "If I may ask the Minister another question, do these events alter the attitude of the Government toward the setting up of a Pacific Defence Council?"

Mr. Pearson: "No, Mr. Speaker. Nothing I have learned about this situation in the last forty-eight hours would alter any opinion I may have had previously about the desirability at this time of setting up a Pacific Defence Council along the same lines as the North Atlantic Council."

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EMPLOYMENT HIGHER: Employment in the major non-agricultural industries showed a moderate improvement at May 1, continuing the favourable movement indicated a month earlier, according to preliminary figures released by the Bureau of Statistics. The advance in employment was accompanied by a further slight rise in average weekly salaries and wages.

The advance general index number of employment, on the 1926 base as 100, stood at 188.7 as compared with 187.9 at April 1, and 189.1 at May 1, 1949, the maximum for that date in

the record of 30 years. Per capita weekly earnings stood at \$44.99 -- a new high -- as compared with \$44.88 at April 1, and \$43.19 at May 1, 1949.

The advance index number of employment in manufacturing, at 200.7, was higher than that of 200.4 at April 1, but was 1.3 per cent below the May 1, 1949, figure. The index of payrolls showed a rise of 0.2 per cent in the month, and was three per cent higher than at May 1 last year. The preliminary figure of per capita weekly salaries and wages of persons

employed in leading manufacturing establishments at May 1 was \$46.34 as compared with \$46.20 at April 1, and \$44.43 at May 1, 1949.

The Minister of Labour, Mr. Mitchell, on June 26, issued the following statement on the current employment situation:

"In the last two weeks of May and the first two weeks of June, agriculture, construction, transportation and services, in almost all sections of the country continued to draw heavily on the available supply of labour. The rapid increase in employment in these industries was reflected in a further decline of 86,100 in registrations at National Employment Service offices; from 306,500 at May 18 to 220,400 at June 15. This is about 74,000 above that of June 15, 1949.

"In some sections of the country, particularly in Quebec, Ontario, and the Prairies, shortages of experienced farm workers were beginning to appear. Some of the men who had been available earlier for farm work had found jobs in the construction industry, now hiring large numbers of workers for the heavy building programme planned for this year. Many have been employed in the woods of Quebec and New England, either on the river drive or on the summer pulpwood cut.

"In manufacturing generally, the employment continued to increase, though not as rapidly as in agriculture and construction. Employment in the pulp and paper industry is generally at a high level as a result of the increased demand for pulp and paper products in the United States, and more workers were being hired to process the logs now coming down the rivers in the spring drive. Employment in sawmills, both in British Columbia and the Maritimes, was increasing rapidly in response to a heavy demand for lumber products both at home and in the United States. Automobile plants, primary iron and steel firms, and plants producing electrical equipment, especially television apparatus, were all operating close to capacity.

"Certain industries and areas, however, were still facing special employment problems. In Newfoundland, some fishermen were hesitating to engage in the cod fishery until some of the uncertainty over markets is cleared up. In the light industries of Ontario and Quebec, some short-time work persists, particularly in textiles and leather products industries. Employment in shipbuilding, and heavy transportation equipment industries, as well as port activity in Halifax, remain well below last year's levels...."

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FARM LOAN BOARD COMMISSIONER: The Minister of Finance, Mr. Abbott, announced on June 27 that Mr. Elie O. Bertrand, of L'Orignal, Ontario, has been appointed Associate Commissioner of the Canadian Farm Loan Board to fill the vacancy occasioned by the recent death of Mr. Hervé E. Brunelle.

Mr. Bertrand, a native of L'Orignal, is a general merchant in that town. He is also actively interested in agricultural and labour questions. He was a Member of Parliament for Prescott, Ontario, from 1929 until 1949.

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5TH SERIES CANADA BONDS: The Minister of Finance, Mr. Abbott, announced on June 27 that a Fifth Series of Canada Savings Bonds will be offered to the public this Fall. The Bank of Canada, as fiscal agent for the Government, has been instructed to proceed with arrangements for the offering. Terms of the new issue will not be finally established until some time in September but it is expected to retain the features which have made the Canada Savings Bond series unique as an investment medium.

The Minister said that decision to issue a Fifth Series was based primarily on the continuing widespread demand for a convenient savings instrument. He reported that, since the introduction of Canada Savings Bonds in 1946, Canadians have made nearly four million purchases representing a total value of \$1.3 billion.

As in the past, the bonds will be offered to the public through the facilities of investment dealers and at all branch banks, for cash purchase or through various methods of instalment buying.

In addition, Canada Savings Bonds will be available through the Payroll Savings Plan, which last year operated in more than 3,000 business establishments across Canada and accounted for a new record of \$140 million in sales to 631,000 employees. The increase of 19% reported in Payroll Sales last year, Mr. Abbott said, indicated that the Payroll Savings Plan had become an important personal savings medium. Sales in this category have amounted to nearly \$500,000,000 since Canada Savings Bonds were first introduced in 1946.

The Bank of Canada announced that all six Regional Directors of the Payroll Savings organization have agreed to act in the same capacity for the Fifth Series of Canada Savings Bonds next Fall.

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STUDY COMBINES INVESTIGATION ACT: The Minister of Justice, Mr. Carson, announced in the House of Commons on June 27 that the following Committee has been set up to study and report on the Combines Investigation Act: Hon. Mr. Justice J.H. MacQuarrie, Supreme Court of Nova Scotia, Halifax; Dr. W.A. MacKintosh, Vice-Principal of Queen's University, Kingston; Professor Maurice Lamontagne, Assistant Director of the Department of Economics, Laval University, Quebec; and Mr. George F. Curtis, Dean of the University of British Columbia Law School, Vancouver.

REPORT OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS

SIX RECOMMENDATIONS: The Fourth Report of the Standing Committee on External Affairs was tabled in the House of Commons on June 27 by Mr. Joseph A. Bradette, Chairman. The following are the Committee's recommendations:

"...The attention of the Committee was directed to the existing requirement of authentication by a United States Consul of oaths duly sworn to before Canadian notaries public for use in the United States Patent Office. As such authentication causes great inconvenience and added expense to Canadian applicants living at points remote from United States Consular Offices, and as the Canadian law never required such certification of oaths taken by United States citizens before Canadian Consuls, your Committee recommends that representations be made to the State Department of the United States Government to do away with the requirement of authentication of oaths by a United States Consul.

"Your Committee recommends that the Department of External Affairs actively re-examine at once the question of the issuance and revocation of passports granted to Canadian citizens whose loyalty to alien systems of government take priority over their loyalty

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FARM WAGE RATES DOWN: Average wages paid to male farm help at May 15 this year were lower by the day, both with and without board, for all Canada (excluding Newfoundland) than a year earlier, while by the month the average rates were slightly lower without board and slightly higher with board, according to reports received by the Bureau of Statistics from farm correspondents in all parts of the country. By provinces, trends in wage rates varied considerably.

With board provided by the employer, wage rates per day averaged \$3.84 for all Canada at the middle of May as compared with \$4.04 in May last year and \$3.93 in 1948.

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to ours.

"Your Committee recommends that the present practice of placing a nominal sum in the estimates of the Department to enable the use of blocked currencies to acquire real and personal property in foreign countries be revised so that such purchases can be made by a method under which such expenditures will be directly voted by Parliament.

"Your Committee recommends that immediate steps be taken to accelerate the activities of the International Joint Commission with reference to the acute flood dangers which are ever present in the areas served by certain international rivers.

"Your Committee approves of the action taken by Canada under the provisions of the North Atlantic Treaty in the interests of preserving world peace and security. Your Committee recommends that increasing attention be given to the Asiatic zone.

"Your Committee recommends that continued pressure be exerted through diplomatic and other appropriate channels to hasten action by the United States Government so that an early start may be made on the St. Lawrence Deep Waterway project...."

STRIKE LOSSES: Although the time loss due to work stoppages from industrial disputes during May, 1950, was higher than the low level of the previous month, the loss was less than one-seventh of the figure for May, 1949, according to a preliminary summary of strikes and lockouts released by the Minister of Labour, Mr. Mitchell, on June 29.

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CARLOADINGS: Carloadings on Canadian railways for the week ending June 17 amounted to 79,919 cars, slightly below the revised total of 79,977 cars for the previous week, but 5,426 cars or 7.3 per cent above last year's corresponding total.

CANADIAN WEEKLY BULLETIN



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DEPARTMENT OF EXTERNAL AFFAIRS

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WEEK'S EVENTS IN REVIEW

AMBASSADOR OF THE UNITED STATES: The Department of External Affairs announced that the Honourable Stanley Woodward, on June 22, presented to His Excellency the Governor General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

The Secretary of State for External Affairs, Mr. Pearson, was present. Mr. Howard Measures, Chief of Protocol, presented Mr. Woodward to His Excellency the Governor General. Mr. Julian F. Harrington, Minister Plenipotentiary, Mr. Woodbury Willoughby, Counsellor of Embassy for Economic Affairs, and Colonel Jack C. Hodgson, Senior Military Attaché and Air Attaché, accompanied the Ambassador.

Before taking up his present duties, Mr. Woodward was Chief of Protocol at Washington. He is a distinguished career officer of the Department of State of the United States. He has served in the Foreign Service of his country in Geneva, Brussels and Port-au-Prince. He succeeds the late Mr. Laurence A. Steinhardt who died in an airplane accident on March 28, 1950.

CROPS GENERALLY FAVOURABLE: Conditions in Alberta remain very dry with rainfall received since April 1 now only one-half of normal. Crops are holding in fair condition as yet in most areas but deterioration has started in central and south-central sections. Crop growth has been generally satisfactory in Saskatchewan as a result of warmer weather and some rain during the past week. Moisture conditions are favourable in the south-eastern and south-central districts but elsewhere rainfall has been light and is needed in parts of south-western, central, and west-central and northern regions. In Manitoba moisture is ample to excessive and all seeded crops, hay and pastures are growing rapidly. Some seeding is still being done in areas where heavy rains and flooding delayed operations.

In Manitoba the crop outlook is promising. Growth of grain crops and hay and pastures has been rapid during the past week.

Crop growth has been generally favourable in Saskatchewan as a result of warmer weather and recent rains.

Little or no relief from the drought occurred in Alberta this past week.

TOP NAVAL APPOINTMENTS: Appointment changes involving four senior R.C.N. officers and affecting three of the top administrative posts of the Royal Canadian Navy were announced on June 16 by the Minister of National Defence, Mr. Claxton.

Rear-Admiral Harry G. DeWolf, C.B.E., D.S.O., D.S.C., R.C.N., 47, of Bedford, N.S., who has been Flag Officer Pacific Coast since September, 1948, will take up the appointment of Vice Chief of the Naval Staff at Headquarters on September 11.

He will succeed Rear-Admiral Frank L. Houghton, C.B.E., R.C.N. 52, of Ottawa, Vice Chief of the Naval Staff since September 1, 1947, who will proceed on retirement leave early in September.

Rear-Admiral DeWolf will be succeeded as Flag Officer Pacific Coast by Rear-Admiral Wallace B. Creery, C.B.E., R.C.N., 50, of Vancouver and Ottawa. Rear-Admiral Creery at present holds the appointment of Chief of Naval Personnel at Headquarters. He will take up his new duties August 30.

Captain James C. Hibbard, D.S.C., and Bar, R.C.N., 42, of Hemison, P.Q., and Victoria, has been appointed to succeed Rear-Admiral Creery as Chief of Naval Personnel on August 5 and will be promoted to the rank of acting commodore on the same date. Captain Hibbard is currently taking advanced staff courses.

Both Rear-Admiral DeWolf and Captain Hibbard will serve as members of the Naval Board when they take up their new appointments.

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JOBS FOR HANDICAPPED: A total of 3,312 jobs for persons with physical handicaps were found by the Special Placements Division of the National Employment Service during the five-month period from December 15, 1949, to May 13, 1950, it was announced on June 15 by the Minister of Labour, Mr. Mitchell.

Of the total number of placements made, 2,320 were for handicapped men and 992 for women. Included in these figures were 924 jobs for ex-servicemen and women with disabilities.

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TEST ALUMINUM ARMY HUT: With the testing of a new prefabricated aluminum hut at two points in the far north this winter, the Army's search for a lightweight, easily constructed barracks for troops in the Arctic might be successful.

The hut, third to be developed by the Army in four years, has been designed for economical heating at temperatures as low as minus 65 degrees and to withstand winds up to 100 miles per hour with gusts to 125 miles per hour. In the model to be tested, production costs have been halved and the overall weight has been considerably reduced. Authorities believe the hut is just what they've been looking for.

Two will be tested this year. One is being sent to the meteorological station at Alert Bay on Ellesmere Island.

The second test will be a technical trial at the Donjek River on the Northwest Highway System in conjunction with the National Research Council.

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OPERATION "WHIPSTOCK": An air defence manoeuvre known as Operation "Whipstock" is to be carried out in the United States Pacific Northwest and over southern British Columbia June 18 to 24, it was announced simultaneously in Ottawa and Washington on June 16. The exercise will be similar to one held in the same area last November.

United States Air Force fighter, bomber and radar defence units will be joined by similar reserve, Air National Guard and Royal Canadian Air Force Reserve units in carrying out the training manoeuvre. It is also expected that naval units of the United States Western Sea Frontier and units from the American Sixth Army and 12th Army Group will participate in the exercise.

The United States Continental Air Command will be charged with the overall command of the operation which is designed to provide training for units of the American Western Air Defence Force. Strategic Air Command will plan and direct operations of the American medium and heavy bombers which will simulate opposing forces.

Canadian participation in the exercise will be by 442 Reserve Squadron, Vancouver, B.C., which will operate in close co-operation with USAF units in the area. The RCAF squadron will carry out radar plotting, marking the approach of bombers into the area, and the squadron's Vampire jet fighters will fly mock interceptions.

United States Air Force participation will include the Western Air Defence Force, Hamilton Air Force Base, California; 25th Air Defence Division, Silver Lake, Washington; 505th Aircraft Control and Warning Group, Silver Lake, Washington; 325th All-weather Fighter Wing, McChord AFB, Tacoma, Washington; 81st Fighter Interceptor Wing, Moses Lake AFB, Washington; and the 60th Fighter Wing of the Air National Guard which includes units from Washington, Oregon, Montana and Idaho and opposing forces as provided by Strategic Air Command.

U.S. Air Force and naval reserve units in the area will also take part to the extent that planes and personnel are available.

The defence area for the exercise will include the State of Washington, northern parts of Oregon, and Idaho, and western Montana.

Bomber penetrations in this area may come from any direction but will be at altitude of more than 20,000 feet. Because of this no ground observers will be utilized.

American army and navy units will work in conjunction with the Western Air Defence Force as anti-aircraft artillery units of the army and radar picket vessels of the navy take part in the exercise.

MR. PEARSON ON CANADA-U.S. RELATIONS

AT STANFORD UNIVERSITY: The cordial relations between Canada and the United States should not be misconstrued as meaning that Canada is moving inevitably and happily into union with the United States, the Secretary of State for External Affairs, Mr. Pearson, said in a commencement address at Stanford University, Stanford, Cal., on June 18.

After discussing with the graduates their own future careers and responsibilities in the light of the transfer in large measure to the North American continent of the centre of world power, he touched upon Canada's good relations with the United States, speaking in that connection as follows:

"Of course, we in Canada have our complaints about the United States, one of which is that, for some unaccountable reason, you have attracted so many of our best people that by now there must be hundreds of thousands of Canadians in California alone, where they seem to prosper rapidly and assimilate easily, and, so far as I can gather, become without great difficulty movie stars, bank presidents and university heads (I put these occupations in inverse order of repute!)

OUTSTANDING EXAMPLE

"An outstanding example of this larceny by you of our human resources is, of course, your own President. I recall him first as a stalwart University of Toronto freshman. At that time, I was doubling as a history professor and a football coach (we have to organize our resources very carefully in Canada). I spotted young Sterling as a potentially great lineman. He became one and where he planted his feet no opposing ball carrier passed. I thought also that he might, with diligence, become a good historian, but I never dreamed that he would migrate to the Presidency of this great University. This loss to Canada temporarily cast a shadow over our relations with you, and we considered for a time throwing up an academic curtain along the border! But wiser counsels prevailed, we swallowed our pride, and Canadian-American relations remained the model of what relations should be between states.

"That relationship, however, should not be misconstrued as meaning that Canada is moving inevitably and happily into union with the United States. That is not true. We are quite content with our present position of independence inside our Commonwealth of Nations. We are also willing and anxious to accept responsibility for the economic, political, and social development of the northern half of

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HOUSING STARTS HIGHER: There was a small increase of three per cent in the number of new dwelling units completed in Canada in March as compared with the corresponding month last year, while starts rose 16 per cent. In the first quarter of this year completions

this continent. We may, of course, be wrong, but somehow or other we feel that our political and social and legal institutions are better, for us, than yours would be. We move at a somewhat slower tempo in Canada and we like it that way. We feel that we have a sense of social solidarity and cohesion, of ordered progress, which would not be strengthened by a change to any other system of government or by amalgamation with any other country. We are, moreover, engaged in an important and successful venture in the incorporation within one state of two peoples of differing background - English and French - who are committed to the survival of their respective languages, cultures and traditions. We consider this experiment too significant for us and for others to endanger it by absorption in any other state.

COMMERCIAL RELATIONSHIPS

"We wish, of course, at the same time, to continue and, indeed, to strengthen our close and friendly contacts with the United States. For one thing, we are acutely - I use the word advisedly - aware of your importance to us economically. We would like to deepen and broaden our commercial relationships with you and bring them more into balance. It would, for instance, be fine for us if your 145 millions would buy as much from us as our 14 millions do from you. That would, we think, help both our countries, and would make unnecessary the restrictions we at times are forced to place on trade with the United States because the greater proportion of that trade - the largest volume of trade between any two countries in the world - consists of Canadian imports from this country. But here again, the closest possible, the freest possible, trade arrangements cannot, and in our view need not, mean for us the loss of our economic independence by a customs union or in any other way.

"As I see it, the central problem that faces our two Governments in their relations with each other is the extension and the deepening of these political and economic contacts, without creating the impression in either country that co-operation means absorption. In any event, I feel sure that Americans would rather co-operate with a free, vigorous and growing Canada than absorb 10 Canadian Provinces, which would presumably become States. Surely you do not want another dozen Senators! And what would Hollywood and fiction do if the scarlet-coated Royal Canadian Mounted Police became the Federal Bureau of Arctic Investigation...."

were at about the same level as in the same period of 1949, but the starts rose seven per cent. The number of units under construction at the end of March was seven per cent above last year.

Completions in March numbered 6,578 as

compared with 6,388 a year ago, and starts totalled 4,169 as compared with 3,585. In the first quarter, completions totalled 17,873 as compared with 17,826, and the starts numbered 9,015 as compared with 8,396. At the end of March there were 50,161 units under construction as compared with 46,886 a year earlier.

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ICAO TO REMAIN IN MONTREAL: The Fourth Session of the International Civil Aviation Organization's Assembly, meeting in Montreal, on June 17, refused to amend the ICAO Charter so that the Organization's permanent headquarters could be removed from Montreal. Voting for the amendment were 18 nations, against 12 nations, abstaining 7 nations; as a two-thirds vote in favour was necessary, the motion was lost.

Article 45 of the Convention on International Civil Aviation, the ICAO Charter, provides that:

"the permanent seat of the Organization shall be at such place as shall be determined at the final meeting of the Interim Assembly of the Provisional International Civil Aviation Organization set up by the Interim Agreement on International Civil Aviation signed at Chicago on December 7, 1944...."

The choice of Montreal was made by the final meeting of the Interim Assembly in 1946; when ICAO came into existence in 1947 its permanent headquarters were therefore established in Montreal.

The proposed amendment, originally put forward by the delegations of Argentina, Cuba, Mexico and Venezuela and amended by the delegation of the Netherlands, would have replaced this part of Article 45 of the Convention with the following text:

"the seat of the Organization shall be at Montreal or at such other place as may be determined by a two-thirds majority of the total number of Contracting States represented at the Assembly and qualified to vote at the time the vote is taken...."

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AUTO ENTRIES DOWN: Foreign vehicles entering Canada on traveller's vehicle permits in May totalled 144,589, showing a decline of six per cent from last year's May figure of 153,988. Decreased entries were recorded in all provinces except New Brunswick and Newfoundland. Despite the decline in the month, the cumulative total for the first five months of this year rose to 354,549 from 352,074 in the similar period of 1949.

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CARLOADINGS AT PEAK: Carloadings on Canadian railways for the week ending June 10 climbed to a new peak of 80,017 cars, showing an increase of 936 cars over the previous week and a gain of 7,253 cars over the same week last year.

PETROLEUM PRODUCTION LEAPS: Production of the petroleum products industry in Canada showed a sharp increase of 37 per cent in value in 1948 over 1947, the aggregate value of output by refineries and blending plants amounting to \$394,934,200 as against \$288,500,286 the previous year, according to the detailed report on the industry by the Bureau of Statistics.

Output of petroleum refineries was valued at \$387,169,018 in 1948 compared to \$286,573,707 in 1947, and of concerns engaged in blending oils and greases at \$7,765,182 compared to \$1,926,579.

Thirty-three refineries reported operations in 1948; four in Quebec, six in Ontario, three in Manitoba, seven each in Saskatchewan and Alberta, three in British Columbia, and one each in Nova Scotia, New Brunswick and the Northwest Territories. Their aggregate capacity was 315,475 barrels of crude oil per day.

During the year, 2,641,208,965 gallons of imported crude oil and 417,958,696 gallons of crude oil and absorption gasoline from Canadian wells, the total amounting to about 83 per cent of the rated capacity, was put through the refineries. Refinery production of gasoline amounted to 1,219,291,343 gallons, and in addition the refineries used for blending about 45,565,922 gallons of imported casing-head gasoline. The gallonage of gasoline made was 13 per cent over 1947 and its refinery selling value was \$192,762,696.

Eleven plants were occupied chiefly in compounding lubricating oils and greases in 1948, eight being located in Ontario, two in Quebec and one in British Columbia. Their output included lubricating oils at \$6,175,403, lubricating greases at \$1,471,170, and soaps or soap powders at \$28,614. Including the greater production from the refineries, the 1948 output of lubricating oils amounted to 65,820,840 gallons, and lubricating greases to 27,363,299 pounds.

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ECOSOC DELEGATION: The Secretary of State for External Affairs, Mr. Pearson, announced on June 20 the composition of the Canadian Delegation to the eleventh session of the Economic and Social Council, which will take place in Geneva from July 3 to August 16. The members of the delegation are:

Chief Representative: The Honourable Alphonse Fournier.

Alternate Representatives: Dr. G.F. Davidson, Deputy Minister of Welfare, Department of National Health and Welfare;

Mr. A.F.W. Plumptre, Chief of the Economic Division, Department of External Affairs; Mr. Arnold Smith, First Secretary, Canadian Embassy, Brussels.

In addition, certain officers of the Department of External Affairs and the Department of Finance will act as advisers to the Canadian Delegation.

"INCREASE SALES TO THE U.S."--MR. TOWERS:

While not underestimating the importance to Canada of overseas markets, the dollar difficulties of many customers were apparently not going to disappear completely in the foreseeable future, Mr. Graham Towers, Governor of the Bank of Canada, said in an address to the Board of Trade, St. John's, Nfld., on June 19.

"Our interests", Mr. Towers pointed out, "will be served best by increasing production of those things which are most likely to be saleable in the United States."

After reviewing at length the purposes and activities of the Bank of Canada, Mr. Towers dealt with Canada's post-war development and present outlook as follows:

"For Canada as a whole, the post-war years have been prosperous ones. The level of production and the average standard of living have been far higher than they were before the war. This prosperity has been fostered and sustained by a great volume of exports, and great activity in the form of new capital investment. In the four years 1946 to 1949 the dollar value of Canadian exports reached a total of \$11.3 billions and the annual physical volume must have averaged about 70 per cent higher than in 1938. During these same years, gross capital expenditure of all kinds amounted to nearly \$13 billions - equal in magnitude to the increase in the national debt during the war. These expenditures went into new housing, new or modernized plant and machinery, public utilities, the financing of inventories and a host of other things. Exports and new capital investment are the two great dynamic factors in our economic situation - two great providers of employment.

CAUSE FOR WORRY

"In these circumstances, the problems facing us in certain export markets have been a cause for worry. I refer, of course, to the difficulties experienced by a number of countries in earning sufficient U.S. or Canadian dollars to enable them to buy all the things they want to get from Canada. For certain countries, these inadequate earnings of dollars have been supplemented by loans from the United States and Canada, and more recently by large sums of U.S. dollars granted to them under the provisions of the Marshall plan. Even so, they have had to economize on imports from dollar sources....

"The problem has to be attacked from many angles. First and foremost, the countries concerned have to try to sell more in dollar markets on a competitive basis. That calls for reasonable production costs, good merchandising and lots of initiative. Since the devaluation of currencies which took place last September, a number of countries are showing signs of doing better on the export side, although the very substantial improvement which has taken place in the foreign exchange reserves of our most important customers is so

far due in the main to a reduction in the amount of their dollar payments.

"Another important factor is the willingness of North America to take more imports from overseas. So far as Canada is concerned, that involves, in part at least, a shift in our sources of supply. Developments of this kind have been encouraged in various ways, and some progress is being made. Lastly - and I am again referring to Canada - the solution must come in part from an increase in our sales to the U.S.A. Fortunately for us, that is the field in which the greatest progress has been made during the last two years - aided by a very high level of prosperity south of the border line.

"I do not for a moment underestimate the importance to Canada, and to each and every province of Canada, of our overseas markets. I hope that their efforts, buttressed by co-operation from this side of the Atlantic, will result in a very substantial volume of trade being done. It remains true, I believe, that the dollar difficulties of many of our customers are not going to disappear completely in the foreseeable future. If that is the case, our interests will be served best by increasing production of those things which are most likely to be saleable in the United States. There is a market which has increased in numbers by 20 millions or 15 per cent since 1939, and is growing at the rate of 2½ million people a year. It is, practically speaking, the only market in the world where imports are not restricted for foreign exchange reasons...."

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CHEMICAL INDUSTRIES SET RECORD: Canada's chemical and allied industries achieved a new peacetime record in value of production in 1949, with a gain of 2.5 per cent over the previous peak in 1948, according to preliminary figures released by the Bureau of Statistics. The year's value amounted to \$594,800,000 as compared to \$579,800,000 in 1948. Last year's figure was exceeded only in the two war years 1943 and 1944, when values were attained of \$653,500,000 and \$730,900,000, respectively, with shell-filling accounting for a large part of the totals.

Ten of the 14 industries in the chemicals group showed substantial gains in output in 1949 as compared with the previous year. Coal tar distillation rose 17.7 per cent to \$9,504,000; polishes and dressings, 15.1 per cent to \$11,606,000; primary plastics, 14.4 per cent to \$18,805,000; medicinals, 11.1 per cent to \$79,685,000; miscellaneous, 8.1 per cent to \$87,678,000; compressed gases, 4.7 per cent to \$11,845,000; fertilizers, 5.9 per cent to \$67,740,000; inks, 5.9 per cent to \$8,778,000; heavy chemicals, 2.6 per cent to \$72,440,000; and paints and varnishes, 1.7 per cent to \$82,648,000. Output from the soaps industry declined 4.9 per cent to \$64,281,000; adhesives, 20.1 per cent to \$6,933,000; vegetable

oils, 12.4 per cent to \$55,802,000; and toilet preparations, 1.6 per cent to \$16,877,000.

There were 1,001 plants in operation in 1949 with 40,506 employees whose salary and wage payments amounted to \$95,782,000 as compared with 1,026 establishments employing 39,548 persons earning \$89,327,000 in 1948. Cost of materials used was \$287,871,000 as against \$293,041,000.

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U.K. SCIENTISTS' VISIT: Headed by Sir William Ogg, Director of the experimental station at Rothamsted, England, and Consultant Director of the Commonwealth Bureau of Soil Science, a party of six eminent United Kingdom agricultural scientists and administrators will tour Canada this summer as guests of the Department of Agriculture.

Scheduled to land at Quebec on June 27, the party will be accompanied by Dr. W.F. Darke, Agricultural Secretary to the U.K. High Commissioner in Canada, across the country and back until they leave Montreal August 24.

This is a return call for the visit of Canadian agricultural scientists to the U.K. last year and is part of a postwar movement towards the vital and continuous interchange of ideas related to the scientific and organizational aspects of agriculture.

Besides Sir William Ogg, the party will include Dr. D.P. Guthbertson, Director of the Rowett Research Institute, Aberdeen; Professor W.H. Ellison, University College of Wales, Aberystwyth; J.H. Anderson, National Agricultural Advisory Service, Cambridge; W.H. Senior, Assistant Director of Education and Research of the Department of Agriculture, Scotland; Professor Ewen M'Ewen, University of Durham.

During their tour of Canada they will study the most recent developments in Canadian agriculture and visit the most outstanding agricultural institutions of this country.

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18 NATIONAL MUSEUM RESEARCH PARTIES: The Minister of Resources and Development, Mr. Winters, has announced that the National Museum is sending 18 parties into the field this summer. Their work will include investigations in archaeology, ethnology, zoology, botany, and palaeontology and will extend from Newfoundland to British Columbia and from southern Ontario to the Arctic.

The investigations are expected to yield a great amount of new information regarding the natural history of Canada.

Dr. Henry B. Collins, Jr. will continue his investigations at Resolute Bay on Cornwallis Island in the Arctic where last season he began the excavation of some ancient Eskimo houses which provided some interesting information about the Thule culture. He will be assisted by W.E. Taylor, of the University of Toronto.

Dr. J.C. Leechman will continue his investigations of archaeological sites in the

interior plateau region of British Columbia and the Yukon from Dawson to Eslin and from Prince George to Ashcroft.

Dr. R.S. MacNeish will make an examination of areas near Lake Nipigon and the Winnipeg River which will be flooded by dams now under construction to determine if important archaeological sites are endangered and will also continue investigations in the Mackenzie River drainage basin and the excavation of important Indian sites found there last summer.

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RETAIL TRADE DOWN: Canada's retail trade was down four per cent in April as compared with the same month last year, with 15 of the 21 trades reporting lower figures for the month. Total sales for the first four months of this year, however, increased three per cent over the corresponding 1949 period, gains being recorded for each of the first three months.

Among the six trades reporting increases in April, only two -- motor vehicle dealers and coal and wood dealers -- had gains of any size. Sales of motor vehicle dealers rose 14 per cent, continuing the steady record of gains; but this increase was moderate compared with the sharp advances of preceding months which have brought the gain in cumulative sales for the four months to 41 per cent. The smaller rise in April is attributable to curtailment of distribution caused by a strike in the United States plants of one of the larger companies. Coal and wood dealers' sales were up 40 per cent, reflecting generally cold April weather in most parts of Canada. Food store sales showed a slight increase of one per cent, with chain food stores recording a marked gain of seven per cent, while sales of independent food stores dropped 11 per cent. Sales of appliance and radio stores and tobacco stores also increased moderately.

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PRESIDENT AURIOL MAY VISIT CANADA: The Department of External Affairs announced on June 19 that the Government of Canada has learned with great pleasure that the President of the French Republic, M. Vincent Auriol, and Madame Auriol will visit the North American continent during April of next year and that it will be possible for them to spend a few days in Canada at that time.

A formal invitation to visit Canada is being extended to the President and Madame Auriol.

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BORDER TRAFFIC: Highway traffic between Canada and the United States in April was five per cent greater in volume than in the same month last year, most of the advance being due to Canadian traffic returning from the United States, which increased by 14 per cent. The increase in United States traffic entering Canada was only one per cent.

THE WEEK IN PARLIAMENT

PROTECTION FOR GRAND BANKS FISHERMEN: In the House of Commons on June 19 in answer to a question by Mr. G.F. Higgins, Progressive Conservative, St. John's East, the Minister of Fisheries, Mr. Mayhew, made a statement on conditions on the Grand Banks off Newfoundland, where it is reported that trawlers of foreign nations are causing damage to property and endangering the lives of Newfoundland and Nova Scotia fishermen. Mr. Mayhew said in part:

"...We are aware of the problems in this area. The area itself is international waters, and control would require an international agreement among the various countries.

"We are asking the captains of the Canadian fishing vessels to keep records and give us evidence of any destruction of or interference with the Canadian fishing gear. Further, we intend to discuss the problem with European countries this fall when our representative goes to Europe on other business, so that we might ultimately have a conference on the rules of the road in the Northwest Atlantic. We are also sending our largest vessel, the Cygnus, into that area to give what protection we can to the Canadian fishermen and also to their vessels; but I might point out that the vessel is not going as a policeman; it is going to render assistance...."

AMEND OFFICIAL SECRETS ACT: The Minister of Justice, Mr. Carson, in the House of Commons, on June 15, introduced a Bill to amend the Official Secrets Act. He said:

"Mr. Speaker, the Bill will provide four amendments to the Official Secrets Act. First, it will extend the expression 'office under His Majesty' to include employees of commissions, corporations and other agencies of the Crown. Second, it will give an extraterritorial effect to the Act by making it applicable to offences committed outside of Canada by Cana-

dian citizens, or to persons who in another country have communicated information which they obtained during the time that they owed allegiance to Canada. Third, it will increase the penalties under the Act, and fourth, it will also remove any doubt that persons charged under the Act for offences against the Act under part XV of the Criminal Code relating to summary convictions, may be fingerprinted."

The Provinces, at federal expense, soon will undertake a sickness survey to ascertain the number of incurables in Canada and the number of persons earning no income, The Minister of National Health and Welfare, Mr. Martin, announced in the House of Commons on June 20.

In a move to bolster Canada's shipbuilding industry, the Government is seeking power, through legislation now before Parliament, to ban the importation of foreign-built ships. It would be used against the purchase of old U.S. vessels by Canadian companies.

The House of Commons, on June 20, gave Mr. Ross Thatcher, CCF, Moose Jaw, permission to withdraw a bill calling for the abolition of capital punishment. Mr. Thatcher says he plans to introduce a similar bill at the next session.

Notice of legislation to provide the first overhaul of the National Film Board setup in 11 years was given in the House of Commons on June 20 by the Minister of Resources and Development, Mr. Winters.

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NEWFOUNDLAND MINERS PLACED: The Minister of Labour, Mr. Mitchell, announced on June 22 that 100 Newfoundland miners are travelling to take jobs arranged for them in hard-rock mines in North-western Ontario and Manitoba, in the first organized movement of miners between Newfoundland and the mainland.

The men were selected by Harlow W. Wright, Assistant to the Executive Director of the Canadian Metal Mining Association, in cooperation with the Special Services Branch of the Department of Labour, and with National Employment Service offices in Newfoundland.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on June 8 amounted to 108,228,100 bushels as compared with 108,464,500 a week earlier, and 85,191,900 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces during the week rose sharply to 4,248,300 bushels from 1,842,000 a year ago. The cumulative total for the period August 1 - June 8 totalled 283,991,000 bushels as against 273,268,700 in the similar period of the preceding crop year.

NATIONAL NOTES

A five-year agreement between General Motors Company of Canada and the United Automobile Workers, (C.I.O.) covering wages, company-paid pensions, insurance and hours of work at the Oshawa and Windsor plants, was announced on June 20.

Dr. William H. Watson, Assistant Director of the atomic energy project at Chalk River Ontario, and one of the world's leading authorities on radar, has been appointed head of the Physics Department at the University of Toronto, it has been announced.

John R. MacNicol, former member of the House of Commons for Davenport (Toronto), died at Malton, Ont., on June 18. In the House of Commons, on June 19, tributes were paid to his career of public service by the Prime Minister, Mr. St. Laurent; the Leader of the Opposition, Mr. Drew; the Leader of the C.C.F. Party, Mr. Coldwell; the Leader of the Social Credit Party, Mr. Low; Mr. Jean Francois Pouliot, Liberal Temiscouata; Mr. David A. Croll, Liberal, Spadina, (Toronto) and Mr. W.D. Wylie, Social Credit, Medicine Hat.

The Royal Canadian Navy minesweeper, H.M.-C.S. Portage, will pay an official visit to Chicago from June 28 to July 5 and will participate in ceremonies marking "Canada Day," July 1, at the Chicago Fair of 1950.

Lumber prices in British Columbia have jumped to record highs, it is reported from Vancouver, due to United States demand.

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WHOLESALE SALES DOWN: Dollar volume of wholesale sales was lower in April, declining five per cent from March, and four per cent from April last year. Cumulative sales for the first four months of this year were one per cent lower than in the corresponding period of 1949. The general unadjusted index of sales, on the base 1935-39=100, stood at 278.9 for April, 293.6 for March, and 291.7 for April last year.

Decreases from a year earlier were recorded in sales for all regions of the country. Sales

in British Columbia were only slightly below April last year with a decrease of one per cent, while declines of four per cent were registered for Ontario and five per cent each for the Maritimes and the Prairie Provinces. Quebec's sales were seven per cent below April last year.

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PRODUCTION

Canadian production of crude petroleum and natural gasoline rose to an all-time high monthly total in March, showing an increase of 13 per cent over the previous peak.

Coal production in May this year increased six per cent over the corresponding month last year, while imports fell four per cent. According to preliminary figures, the month's output increased to 1,423,400 tons from 1,341,549.

Gross selling value of products turned out by establishments in the hardware, tools and cutlery industry of Canada in 1948 amounted to \$87,666,000, showing an increase of 10 per cent over the 1947 total of \$79,537,000.

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THE PROVINCES

Largest delegation from the Maritimes in 25 years, 50 representatives from the East urged upon the Cabinet this week the construction of the Chignecto Canal which would cut 500 miles off the voyage from the Gulf of St. Lawrence to the Bay of Fundy.

The Manitoba Government, on June 21, announced the creation of a federal-provincial Red River Valley Flood Protection Board. J.B. Carswell, of Vancouver, B.C., will be Chairman.

The level of the Fraser River dropped fractionally at mid-week, after a menacing rise.

The Toronto Builders' Exchange retreated this week from its position of attempting to hold the wage line in the construction industry and offered the AFL Bricklayers' Union a 10-cent-an-hour increase and two-year contract.



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WEEK'S EVENTS IN REVIEW

CANADA ACCEPTS OEEC INVITATION: The Secretary of State for External Affairs, Mr. Pearson, announced on June 13 that Canada had accepted an invitation to become associated with the work of the Organization for European Economic Co-operation.

The invitation, received through the Canadian Ambassador in Paris, was contained in a letter dated June 7 addressed to the Minister from the Secretary-General of the OEEC. The Canadian Government's acceptance has now been communicated to the Secretary-General of the OEEC through the Canadian Ambassador in Paris.

Following is the text of the letter dated June 7, 1950, for the Secretary of State for External Affairs from the Secretary-General of the OEEC inviting Canada to associate with the work of the OEEC:

"I have the honour to inform you that the Council of the Organization for European Economic Co-operation at a meeting held at Ministerial level on 2nd June, 1950, have considered a proposal by the delegations of France and of the United Kingdom to give effect to the contents of a statement published in London on 18th May, 1950, by the Foreign Ministers of France, the United Kingdom, the United States of America and

Canada, concerning the association on an informal basis of Canada and the United States with the work of the Organization.

"I am directed by the Council to inform Your Excellency that they have unanimously agreed to endorse this proposal. Accordingly, I am instructed to invite your Government and the Government of the United States to associate themselves, on an informal basis, with the work of this Organization in accordance with arrangements to be mutually discussed.

"I have the honour to request you to be good enough to bring this invitation to the attention of your Government."

The text of the reply sent on June 10 by Mr. Pearson through the Canadian Ambassador in Paris is as follows:

"The text of your letter of June 7 has been brought to the attention of the Canadian Government.

"I am directed to ask you to inform the Council of the Organization for European Economic Co-operation that the Government of Canada gladly accepts the invitation of the Council to associate, on an informal basis, with the work of the Organization in accordance with arrangements to be mutually discussed."

OIL SEARCH IMPELS SURVEYS: The influx of prospectors and settlers into Yukon and the Northwest Territories and the widening search for oil in Alberta and Saskatchewan has led the Canadian Government to centre much of its legal surveying this year in the Far North and the West.

In the 1950 field programme announced by the Department of Mines and Technical Surveys, 11 of the 25 parties fanning out across Canada to survey federally owned or administered lands and to collect data for the preparation of aeronautical charts, will be assigned to these areas.

YUKON AND YELLOWKNIFE

They will operate in the Mayo area of Yukon and the Yellowknife district of the Northwest Territories surveying mineral claims to pave the way for the possible development of these claims and for the transfer of mineral rights. To accommodate the demand for legal surveys caused by the growing number of settlers, they will lay out lots, group lots, and townsites in and around Mayo, Whitehorse, and Teslin in Yukon, and the Hay River Settlement in Yellowknife. They will also survey group lots along the Alaskan Highway in response to a number of requests from groups of individuals who wish to erect tourist resorts at certain points along the highway in Yukon.

Oil developments in the West have made imperative the legal surveying of various sectors of provincial boundary lines and the subdivision of certain Indian Reserves. To enable provincial governments to deal with the granting of oil leases, two field parties will carry out surveys of boundary lines between the Northwest Territories and Alberta and between Alberta and British Columbia. Three parties will concentrate on subdividing Indian Reserves in Alberta and Saskatchewan into which the search for oil has spread.

Four parties will carry out surveys in the Columbia River Valley in British Columbia, one of the Manitoba-Ontario boundary and four of Indian Reserves in Manitoba, Ontario, and Quebec.

To make aeronautical charts as safe as possible for overseas airlines, one party will make a radar-altimeter survey of the Island of Newfoundland and those areas of Quebec and Labrador bordering the Gulf of St. Lawrence.

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OFFICIAL HANDBOOK "CANADA": Publication is announced of the 1950 edition of the Official Handbook CANADA. Initiated 20 years ago to supplement the field of the CANADA YEAR BOOK, it is especially designed for ready use by business men, teachers, students, lecturers, and all those interested in the progress of Canada. This convenient pocket-sized annual contains up-to-date official information on all phases of the country's economic organization,

Containing over 280 pages of text, more than 160 illustrations, including three pages of coloured reproduction, 100 statistical tables, as well as diagrams, charts and lithographed maps, this 20th edition is both attractive and readable.

A special article in this edition deals with the political evolution of Canada. The chapter material covers population and vital statistics, education, science and culture, public health and welfare services, national income, agriculture, forestry, mines and minerals, water powers, fisheries, furs, manufactures, construction, labour, transportation, communications, domestic and foreign trade, public finance, banking and insurance.

Price of the Canada Handbook is 25 cents.

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INTERNATIONAL TRADE FAIR: Illustrating the point that business can be conducted most effectively at the Trade Fair, regardless of distances separating buyer and seller, or of differences in language, is the story of the Venezuelan buyer who flew up to the Trade Fair, bought what he wanted, and flew back next day. Managing director of a Venezuelan steel plant, he had a problem in housing his workers near their work. At the Trade Fair, he found aluminum houses on display, and through an interpreter immediately ordered one hundred units, reports a Trade Fair release.

Top level representatives of United States industry and Government visited the Trade Fair on June 5.

The group included ten members of the American Trade Association Executives, headed by C.E. Boyd, President of A.T.A.E., representing the management of some 1200 business and industrial associations of the United States and Canada. Also visiting the Fair were Wayne Chatfield Taylor, assistant to the Administrator, E.C.A. and Director, Import Trade Promotion Division, E.C.A., Loring K. Macy, and E.E. Schnellbacher, Office of International Trade, U.S. Department of Commerce; and Col. J.M. Gage, Managing Director of the first United States Trade Fair, scheduled for Chicago next August.

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AUTO SALES AT PEAK: Sales of new motor vehicles, up sharply over last year from January to March, increased still further in April to reach a new postwar monthly peak and widen the margin of sales gain for the early months of the year. Passenger cars were responsible for most of the gain in the month as in the previous three months.

New vehicles sold in April totalled 36,406 as compared with 34,653 in March and 29,314 in April last year, an increase of 24 per cent in the year-ago comparison. Retail value for the month amounted to \$72,363,728 as against \$60,-856,368 for last year's April sales, an advance of nearly 19 per cent.

April sales brought the aggregate for the first four months of 1950 to 127,510 units with a retail value of \$254,443,573, up 56 per cent in number and 48 per cent in value over the corresponding period of 1949 when 81,507 new vehicles were sold for \$171,866,870.

New passenger car sales numbered 27,641 in April as compared with 20,764 a year earlier, an increase of 33 per cent, with the retail value at \$54,392,441 compared with \$42,523,598, showing a lesser rise of 28 per cent. In the four months, passenger cars sold totalled 99,108 as against 53,535 for January-April, 1949, and the aggregate retail value amounted to \$196,269,257 as against \$111,847,584, representing increases of 85 per cent in number and 75 per cent in value.

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PRAIRIE CROP REPORT: While some scattered showers and fair rains have occurred, the moisture situation in wide areas of Saskatchewan and Alberta has further deteriorated. Cool weather, however, has so far prevented any significant crop damage from lack of moisture. High winds over much of these two Provinces have seriously depleted surface moisture and soil drifting has caused considerable damage at local points. Wheat seeding is practically completed in Alberta and Saskatchewan with a small proportion of coarse grains remaining to be planted. In both Provinces better than average rainfall will be required in most areas from now on to promote development of a satisfactory crop, it is reported in the crop report of the Bureau of Statistics, under date of June 7.

In Manitoba, seeding is nearly completed in central and northern areas. Progress is variable in southern districts with planting in the flooded area just getting under way. Growth of early-seeded crops, as well as pastures, has been excellent.

Continuous high winds during the past week in Saskatchewan have seriously depleted surface moisture in all parts, except the extreme Southeast and portions of the Park Belt area. Soil drifting has caused considerable crop damage in local areas with five to 10 per cent reseeding necessary at some points. Seeding is almost completed except for about 15 per cent of the coarse grains. Rains received at many points at the end of this reporting period promise good recovery but surface moisture depletion has been so general that further early rains are required to promote growth.

Scattered showers and some fair rains on June 6-7 have improved immediate prospects over many parts of Alberta. Moisture supplies remain good in the Peace River district, in the extreme southwestern part of the Province and in parts of the west-central area west of the Calgary-Edmonton line. Southeastern Alberta, however, is still dry but little crop damage other than that occasioned by soil drifting is indicated thus far. Wheat seeding is completed throughout the Province and

coarse grains should be all in during the week commencing June 11. Grain crops generally appear to be in fair condition but hay crops and pasture are only poor to fair in most sections. The low level of subsoil moisture reserves and below-normal precipitation over much of the Province will be felt soon unless better-than average rains occur. Wireworm damage to wheat has been reported from the Lethbridge area and hatching of grasshoppers has commenced in several southern districts.

Seeding in Manitoba is nearing completion in central and northern areas, advancing in the south, and well started in the Red River Valley where the land is just now drying up.

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FRUIT CROP PROSPECTS: Prospects for the fruit crops in Canada this year as at mid-May vary considerably, depending on the locality and type, according to the Bureau of Statistics.

Judging by the bloom, the outlook for the orchard fruits in Nova Scotia, New Brunswick and Quebec is promising. On the other hand, strawberries in the heavy producing area of the Island of Orleans and Bellechasse county are expected to be reduced 50 per cent by winter injury.

Production in Ontario is still uncertain. The apple and peach crops are expected to be lighter than those of last year, while the condition of the other tree fruits is variable.

In British Columbia heavy winter injury has reduced the crop outlook considerably. All types of fruit trees show winter injury in varying degrees.

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FARM PRICE INDEX: Farm prices of agricultural products in Canada -- excluding Newfoundland -- increased in April over the preceding month, but were below April last year, according to index numbers compiled by the Bureau of Statistics. Increased prices were recorded in all provinces from March to April, but were below those of a year earlier in each province except Ontario.

This index number for all-Canada, on the base 1935-39=100, stood at 248.8 in April as compared with 246.0 for March and 250.9 in April last year. The index has shown a steady rise since January, and is largely attributable to rising livestock prices. Compared with a year ago, prices were lower for all products except livestock.

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CARLOADINGS: Carloadings on Canadian railways during the week ending June 3 rose to 78,985 cars from the revised total of 72,748 for the preceding week and 73,970 for the corresponding week last year. This year's cumulative total to June 3 was 1,552,259 cars as against 1,591,042 in the similar period of 1949.

WORLD WHEAT SUPPLIES UP: Supplies of wheat remaining at May 1 this year in the four major wheat exporting countries for export and carry-over at the end of their respective crop years amounted to 867,000,000 bushels, an increase of 118,000,000 bushels, or almost 16 per cent over last year's corresponding total of 749,000,000 bushels, according to the May issue of the wheat review by the Bureau of Statistics.

The gain was due, for the most part, to a rise in United States supplies to 505,000,000 bushels from 391,000,000 a year earlier. Supplies in Australia rose to 110,000,000 bushels from 92,000,000, but in Canada they fell to 172,000,000 bushels from 182,000,000, and in Argentina to 80,000,000 bushels from 84,000,000.

The outlook for the North American wheat crop is uncertain at this time. The May 1 crop report of the United States Department of Agriculture stated that U.S. crop prospects in general were less encouraging than on April 1. During May, however, weather and moisture conditions improved over much of the winter wheat belt and spring seeding made good progress except in the general area of the Red River Valley. Trade sources have suggested that the winter wheat crop might now go as high as 750,000,000 bushels.

DECLINE IN WHEAT ACREAGE

In Canada, the official report on seeding intentions at April 30 indicated a small decline in wheat acreage, although some sources consider that the extremely backward season in parts of the west, particularly in Manitoba, may cause a greater decline in wheat acreage than farmers anticipated at April 30. Current crop conditions in the Prairie Provinces are extremely variable. Seeding is now making good progress in most areas but moisture supplies are deficient in many sections, particularly in Alberta, while flood and excessive moisture have held up operations over parts of Manitoba.

In the Argentine, moisture conditions are variable, but seeding is progressing rapidly. An over-all increase in grain acreage is anticipated in response to price incentives offered by the Government. Trade circles consider that maximum wheat sowings will reach little more than 16,000,000 acres although the Government's goal exceeds 17,000,000.

Crop conditions in Europe with the possible exception of Spain are reported to be favourable with France in particular anticipating a good wheat crop -- placed by the trade at as much as 328,000,000 bushels. Her prewar (1935-39) average production was 286,000,000 bushels.

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WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on May 25 amounted to 111,912,000 bushels as compared with 117,532,000 a week earlier, and 95,630,000 on the corresponding date last year.

ECONOMIC SURVEYS: The Department of Mines and Technical Surveys, Ottawa, is placing 11 geographical parties in the field this year to conduct investigations ranging from land use studies in central British Columbia to physiographic surveys on Southampton Island on the Northern part of Hudson Bay. In this work the Department's Geographical Branch field staff will be supplemented by personnel from the geography departments of Canadian universities.

An economic study of grazing lands in central British Columbia will be completed. Large cattle and sheep ranches are located in this region from Kamloops to Prince George, and the study will provide information that might prove of value in determining how full use may be made of this land. The survey, commenced in 1947, will be conducted by Professor Thomas Weir of the University of Manitoba.

Professor B. Zaborski of McGill University, will make a survey of the influence upon occupation, settlements, population and social conditions of mineral and oil developments in the Edmonton - Lesser Slave Lake area.

Brooke Cornwall of the University of British Columbia will make an economic geographical survey of the Vancouver, Westminster, and Victoria areas and of the southern coast of British Columbia.

LABRADOR AREA SURVEY

Pierre Gadbois will conduct an economic geography survey in the Labrador area. Starting out from Goose Bay his party will investigate the comparatively unexplored Mealy Mountain region.

Using a 35-ton fishing schooner, with a 3-man crew, a party headed by W.A. Black of the Geographical Branch will make a resources utilization study of coastal Labrador. Of particular interest are the geographical aspects of the fishing industry.

Dr. D.F. Putman, University of Toronto, will investigate the extent of resources and current land use patterns in north-eastern Nova Scotia.

Professor L. Reeds of McMaster University will make a similar study in the Avalon Peninsula of Newfoundland.

Professor W. Wonders, University of Toronto, will study the economic geography of settlements along the railway belt in western Newfoundland.

Professor and Mrs. J.B. Bird, geographers from the University of Toronto, will study the physical geography of the western portion of Southampton Island in the northern part of Hudson Bay.

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CANADA-U.S. TAX AGREEMENTS: Two agreements were signed in Ottawa on June 12 between Canada and the United States, amending the existing Tax Conventions in the fields of income tax and succession duties. At the ceremony, the Minister of Finance, Mr. Abbott, signed for

Canada while Mr. Julian F. Harrington, Chargé d'Affaires of the United States Embassy in Ottawa, signed on behalf of his country

The Conventions, signed on June 12, contain a series of provisions designed to improve and clarify the present agreements which have been in force between the two countries for some years. In certain directions the principles established in the original Conventions have been extended. Modifications have been introduced to alleviate severity where the overlapping of tax laws of the two countries involves hardship.

The two amended agreements will be effective upon approval by Parliament and ratification by the United States Senate.

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URGES ST. LAWRENCE DEVELOPMENT: The Prime Minister, Mr. St. Laurent, in an address on June 11 at a Convocation at St. Lawrence University, Canton, N.Y., where he received an Honorary Doctor of Laws degree, said that Canadians are "getting rather impatient" over the delay in starting the St. Lawrence waterway and power project.

After reviewing the history of international conflict in the St. Lawrence Valley for two centuries following the settlement of the continent, he recalled that the first great landmark in the development of genuine peace between the United States and Canada was the Rush-Bagot Convention of 1817. Disarmament, however, despite its importance, was really a negative step. In 1909 the two countries took an important positive step in the Treaty relating to boundary waters, which established an International Joint Commission.

Mr. St. Laurent then proceeded with his reference to St. Lawrence development as follows:

"The Joint Commission was established primarily to deal with matters relating to the boundary between our two countries, and particularly to the waterways which form so large and important a part of that boundary and those other streams that flow back and forth across that boundary.

"Those of us who live in the St. Lawrence Valley and the basin of the Great Lakes have an especially keen interest in the beneficial use of boundary waters. I am sure all of us hope that we are really approaching the day when we can start to make full use of the Great Lakes and St. Lawrence system both for navigation and power. I know we in Canada are getting rather impatient about the delay. From end to end of Canada there is an overwhelming feeling that a development which will strengthen and enrich this whole St. Lawrence area will benefit all parts of the continent.

"I said we in Canada were getting rather impatient. After all, it is eighteen years since the first agreement which we were ready to carry out failed to get sufficient support in your Congress; and it is nine years since we made the second agreement. Our need in Canada is urgent; particularly for more elec-

trical energy. If the Niagara Diversion Treaty can be ratified quickly by your Senate, that will help; but both countries need, and we in Canada certainly want to get ahead with the larger scheme. . ."

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SECOND ICAO COUNCIL: The Fourth Session of the International Civil Aviation Organization's Assembly, now being held in Montreal, on June 10, elected twenty nations to form the second ICAO Council. The Council, the Organization's executive body, which meets in virtually continuous session in Montreal, is elected for a three-year term; choice of the first Council was made in 1947.

Among the many duties of the Council are included the adoption of international standards and recommended practices for air navigation, the collection, examination and publication of information relating to the advancement of air navigation and the operation of international air services, the study of matters affecting the organization and operation of international air transport, and the investigation of situations which may appear to present avoidable obstacles to the development of international air navigation.

Nations elected to the Council were:

Argentina, Australia, Belgium, Brazil, Canada, Denmark, Egypt, France, India, Iraq, Ireland, Italy, Mexico, Netherlands, Philippine Republic, Portugal, Union of South Africa, United Kingdom, United States of America, and Venezuela.

On June 6, ICAO and the Assembly was informed in a communication from the Secretary of State of the United States, that the Republic of China has decided to "withdraw" from the Convention on International Civil Aviation signed at Chicago in 1944 and, as a result, from the Organization itself. The notification of China's withdrawal was signed by the Chinese Minister for Foreign Affairs, George K.C. Yeh and delivered to the United States Government by the Chinese Ambassador in Washington, V.K. Wellington Koo, in accordance with Article 95 of the ICAO Convention.

* * * *

RAIL REVENUES AT NEW PEAK: Operating revenues of Canadian railways in March reached a new record total for the month at \$78,092,000, showing an increase of \$3,767,000 or five per cent over the corresponding month last year. Operating expenses fell slightly from \$70,612,000 last year to \$70,556,000, and the operating income rose from \$1,315,000 a year earlier to \$5,299,000.

First quarter operating revenues aggregated \$204,828,000 as compared with \$207,279,000 in the same period of last year, while operating expenses totalled \$199,439,000 as compared with \$203,696,000. The deficit on operations during the quarter was \$1,597,000 as compared with \$4,016,000

HALF CENTURY'S HEALTH PROGRESS: A 20-year increase in the average life expectancy of Canadians since 1900 is one indication of the tremendous health progress in this country during the first half of the twentieth century, the Minister of National Health and Welfare, Mr. Martin, told the annual meeting of the Greater Vancouver Health League on June 18.

The first 50 years of the century have also shown a one-third reduction in the general mortality rate, he said, while during the past 25 years the infant mortality rate has been cut 50 per cent and the maternal mortality rate by 60 per cent.

In discussing Canada's half century of health progress, Mr. Martin enumerated many of the discoveries of medical science -- the sulfa drugs, insulin, antibiotics, radium, mass x-rays and immunization; cortisone and A.C.H. -- which are helping to conquer illness. Through improved medical knowledge and better facilities, the T.B. rate has declined by 80 per cent since 1900. Among Indians and Eskimos it has decreased approximately 40 per cent in the past six years. Venereal disease has been cut by 40 per cent in the last five years and immunization has reduced the diphtheria death rate by 80 per cent in the past quarter-century.

This year, said the Minister, it is estimated that more than \$200,000,000 will be spent on public health care and hospitals by all governments in Canada.

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AIR FORCE DAY CONGRATULATIONS: Congratulations to all ranks of the Royal Canadian Air Force on its fourth annual Air Force Day, noted across Canada Saturday, June 10, have been received by Air Marshal W.A. Curtis, Chief of the Air Staff, from General Hoyt S. Vandenberg, Chief of Staff, United States Air Force.

The text of General Vandenberg's message follows:

"I am very happy to extend the congratulations of the United States Air Force and its personnel to you and to the Royal Canadian Air Force on its Fourth Annual Air Force Day. May our close and friendly association continue in the future as it has in the past and may it prove a worthy example for the other freedom loving peoples of the world."

* * * *

STORE SALES UP: Department store sales rose three per cent in May over the corresponding month last year, according to preliminary figures. Gains were recorded in all sections of the country except Manitoba and Saskatchewan. Largest gain of six per cent was shown in Québec, followed by the Maritimes and Ontario with advances of five per cent each, Alberta four per cent, and British Columbia three per cent. Sales in Manitoba were down eight per cent, and in Saskatchewan five per cent.

1951 INTERNATIONAL TRADE FAIR: Toronto, June 9 -- With this, (June 9) the final day of the Third International Canadian Trade Fair remaining to transact business, reservations are already pouring in for exhibitors wishing to book space for the Fourth Fair to be held in 1951. The Trade Fair again next year will be held in Toronto with additional facilities to cope with the ever-expanding physical nature of the world market place.

"It is gratifying to learn of the many satisfactory sales of products, according to statements by exhibitors who have been displaying during the last two weeks," Glen Bannerman, Director of the Canadian Government Exhibition Commission, Department of Trade and Commerce, said on the eve of the final day.

"I cannot help but regard the exhibitors at this International Trade Fair as gentlemen adventurers of the same breed who played such an historical part in the early development of Canada's trade with the rest of the world," added Mr. Bannerman.

Reservations indicate that space will be at a premium, according to R.H. Dayton, Trade Fair Administrator, commenting on the initial groundwork now being laid for the 1951 show. (The Trade Fair News)

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INDUSTRIAL EMPLOYMENT UP: Industrial employment showed a moderate expansion at the beginning of April, reversing the downward movement indicated since October 1 last. The rise was accompanied by an increase in weekly payrolls, and average weekly earnings advanced to a new all-time high figure. The improvement in employment was contra-seasonal in character according to the experience of the period since 1920, during which generally increased activity was reported at April 1 on only six prior occasions.

The index number of employment, on the base 1926=100, stood at 187.6, up one point from the March figure of 186.6, and unchanged from April 1 last year. Payrolls rose 0.9 per cent during the week ending April 1 over March 1, and 3.6 per cent over April 1 last year. Average weekly earnings at \$44.87, exceeded by 2.9 per cent the per capita figure for March 1, and were 3.5 per cent above April 1, 1949.

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DEFENCE RESEARCH BOARD: Two new Defence Research Board appointments, Dr. Alan Emerson Cameron of Halifax, N.S., and Brigadier F.C. Wallace of Georgetown, Ont., were announced by the Minister of National Defence, Mr. Claxton, on June 12.

The new Board members are replacing Dr. G.M. Shrum, head of the Physics Department, University of British Columbia, and Dr. J.H.L. Johnstone, head of the Physics Department, Dalhousie University, whose terms have expired. Appointments to the Board are for periods of three years.

REDUCED TRADE DEFICIT WITH U.S.

SMALL DEFICIT WITH U.K.: Canada's customary trade deficit with the United States was again sharply below last year's level in April as the result of expanded exports and decreased imports, while for the second successive month Canada had a small debit balance in commodity trade with the United Kingdom. In trade with all countries, there was an adverse balance in April for the fourth successive year.

Imports from the United States in April declined to \$162,200,000 from \$177,300,000 a year earlier, while domestic exports to the United States increased to \$137,800,000 compared to \$110,700,000 and foreign exports were unchanged at \$1,500,000. As a result, the debit balance for the month fell to \$22,900,000 as against \$65,100,000 for April last year.

For the four months ending April, the cumulative value of domestic exports to the United States was \$96,000,000 above the aggregate for the corresponding 1949 period, rising to \$551,800,000 compared to \$455,800,000, while foreign exports increased to \$8,000,000 from \$6,200,000. Imports from the United States in the period decreased to \$620,700,000 from \$659,900,000. The aggregate adverse balance for the four months thus fell to less than a third the figure for the four months last year, amounting to \$60,900,000 as compared to \$197,900,000.

In contrast with gains in the first three months of the year, imports from the United Kingdom declined slightly in April to \$29,500,000 as compared to \$30,100,000 in April last year. Domestic exports to the United Kingdom, however, were down sharply to \$25,800,000 from \$63,000,000. Allowing for the

small amount of foreign exports, there was a debit balance of \$3,600,000 in the month with the United Kingdom as compared to a credit balance of \$33,400,000 a year earlier, and a small debit balance of \$2,400,000 in March this year. Credit balances totalling \$28,100,000 were recorded in January and February, however, making a credit balance for the four months ending April of \$22,100,000, down from \$96,600,000 in the corresponding 1949 period.

Total imports from all countries in April were valued at \$230,900,000, down moderately from \$237,400,000 for March and below last year's April value of \$242,700,000. Domestic exports to all countries -- as earlier reported -- decreased in value to \$205,500,000 as compared to \$228,200,000 for March and \$237,800,000 for April, 1949, while foreign exports stood at \$4,200,000 as against \$3,500,000 and \$2,500,000, respectively. The result was an adverse overall balance of \$21,200,000 as compared to debit balances of \$5,700,000 for March and \$2,400,000 for April last year. It was the fourth successive year that a debit balance has been shown for April.

For the four months ending April, total imports also exceeded total exports, the aggregate value of imports amounting to \$880,400,000 as compared to \$854,400,000 for domestic exports and \$12,300,000 for foreign exports. The resultant adverse balance of \$13,700,000 for the period compares with an adverse balance of \$3,000,000 for the like period last year.

In contrast with an unusual debit balance in March, Canada had a small credit balance in April with Commonwealth countries other than the United Kingdom as well as with foreign countries other than the United States.

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"MAGNIFICENT" TO EUROPE: Rear-Admiral E.R. Mainguy, O.B.E., R.C.N., will command, as Flag Officer, the Canadian Special Service Squadron, consisting of the aircraft carrier Magnificent and five destroyers, which will sail from Halifax in late August on a three-month cruise to Europe, Naval Headquarters announced on June 13.

Rear-Admiral Mainguy, at present Flag Officer Atlantic Coast, with headquarters in Halifax, will embark in HMCS Magnificent at Londonderry, Northern Ireland, in mid-September and will fly his flag in the carrier for the balance of the cruise.

Londonderry will be the first port of call for the Canadian group, and there the ships and the Magnificent's air squadrons will carry out two weeks' intensive anti-submarine training at the Joint Anti-Submarine Training School

operated by the Royal Navy and Royal Air Force.

On leaving Londonderry, the Canadian ships will visit a number of ports on the European continent.

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WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on June 1 amounted to 108,464,500 bushels as compared with 111,911,700 a week earlier, and 89,319,100 on the corresponding date last year.

Overseas export clearances of wheat during the week ending June 1 amounted to 4,144,800 bushels as compared with 5,349,400 in the corresponding week last year, bringing the cumulative total for the crop year to date to 135,406,100 bushels against 139,159,200 in the similar period of 1948-49.

THE WEEK IN PARLIAMENT

INITIAL \$12,500,000 FLOOD GRANT: The Minister of Finance, Mr. Abbott, announced in the House of Commons on June 9 that the federal Government will make an initial payment of \$12,500,000 to assist the Manitoba Government in the work of flood rehabilitation.

Mr. Abbott tabled an interim report by the federal-provincial Commission investigating flood damage which tentatively set the total cost at \$26,631,880. This was subject to further detailed investigation and excluded intangibles, personal effects and crop losses.

The partial text of the Minister's announcement is as follows:

"....In the light of the facts disclosed in this report the Government has decided to include in the supplementary estimates, which I hope will be tabled within the next week or ten days, an appropriation for \$12,500,000 as an initial payment to the Government of Manitoba to assist it in discharging the obligations which it will have to carry out as a result of the flood damage.

In addition, hon. members will see from the report that the Committee has suggested that in the urban areas of Winnipeg certain emergency diking measures might be developed in order to prevent a recurrence of these floods. As was the case in the Fraser Valley, the Dominion Government of course would participate on the basis of 75-25 in the costs of such works, if it is decided to proceed with them; and in the supplementary estimates an appropriate amount will be included to cover an estimate of what might be required in that connection in the forthcoming period."

Mr. Abbott flew out to Manitoba last week to view the scene and discuss matters with the Commission and Manitoba Government.

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The Government will provide compensation totalling \$1,222,829 to 1,300 Canadians of Japanese origin who resided in British Columbia in 1941 and whose property was deemed to have been disposed of by the Custodian of Alien Enemy Property at prices less than the fair market value, it was announced in the House of Commons by the Minister of Justice, Mr. Garson, on June 13.

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The Minister of Agriculture, Mr. Gardiner, announced in the House of Commons on June 13 that the Government will continue price support on bacon beyond the previously announced termination date of June 30.

DEFENCE OF THE NORTHWEST: The experience of Exercise Sweetbriar was that Canadian and United States forces available for defence of the Northwest are sufficiently great to deal with an attack on the scale that might be anticipated as part of a total war, the Minister of National Defence, Mr. Claxton, said in the House of Commons on June 9 during consideration of departmental estimates. His statement on this point was as follows:

Mr. Claxton: The defence of our northwest must be considered in conjunction with the defence of Alaska. The experience of Exercise Sweetbriar was, I believe, that with the forces we have and the forces planned by the United States for Alaska, in the opinion of my advisers our forces are sufficiently great to deal with an attack on the scale that might be anticipated as part of a total war.

Mr. D. S. Harkness, Progressive Conservative, Calgary: I wonder if the Minister means that they would be sufficient to deal with an attack along the Alaska Highway. If there happened to be an attack at the same time on Gander, Churchill or some place else, have we sufficient forces to deal with all of them?

Mr. Claxton: If the hon. member wants to go on and name a third, fourth, fifth and sixth, of course I cannot follow him because this is a matter of opinion. War is a very uncertain business, and he knows that just as well as anyone else in the House. One also has to be cautious about expressing views as to the safety or security of any place at any time. I have avoided doing that, and I will continue to do so because it is not realistic to do it. All I can say is that on the basis of advice from the people with whom I deal we think a sufficiently large part of the defence dollar is being spent on immediate local self-defence either in the navy, army or air force. Of course we are not satisfied with the condition, and we are going to improve it steadily as a part of the programme. Nevertheless, having regard to the amount of \$425 million made available today, our view is that we spend a sufficient proportion in our own local defence so far as money, personnel and equipment are concerned.

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The House of Commons, on June 13, approved the Convention of the World Meteorological Organization signed at Washington in October, 1947.

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Parliament is expected to prorogue at the end of June, according to press speculation.

FIFTH SESSION, GENERAL CONFERENCE OF UNESCO

MR. DÉSY'S ADDRESS. Following the example of the enlightened patrons who made the City of Florence one of the gems of civilization, "let UNESCO be the instigator of a new Renaissance," Mr. Jean Désy, Head of the Canadian Delegation, said at the opening of the Fifth Session of the General Conference of UNESCO in Florence.

After congratulating the Director General, Dr. Torres Bodet, for "the leadership he has shown in the conduct of UNESCO affairs," Mr. Désy discussed its programme, in part, as follows:

"The programme which he (Dr. Torres Bodet) has put before us indicates clearly a desire for contraction and co-ordination. It rightly gives pride of place to the exchange of information between countries. This intermediary and interpretive function of UNESCO is indeed its most important, and I am pleased to see that it has first priority in all parts of the programme. For this reason I consider the draft resolutions dealing with exchanges of persons and concerning the advancement of the social sciences in those countries where they are still immature as particularly worthy of approval. Proposals such as these, which strengthen friendship between peoples, deserve support. An essential step in securing peace is to lay the foundations of international co-operation and intellectual understanding.

OTHER PROPOSALS

"Other proposals, however, could with advantage be postponed. It does not seem to me essential to our task to publish monographs on free and compulsory education, to put out popular scripts for the radio, to produce film strips or slides for the use of lecturers, to trace the constitutional development of the specialized agencies, or to collect photographs supplied by scientific or industrial organizations. There are too many urgent tasks demanding our attention for us to dally with jobs of this nature.

"The Canadian Delegation would also be glad to see the deletion of several other projects. For instance, I wonder what artists have to gain by proclaiming their rights in a declaration which would, after all, be merely an abbreviation of the Universal Declaration of Human Rights. As for the establishment of an international institute of the press and information, this scheme has received so little support up to the present time that we need only forget it. Instead of competing with well-established agencies, UNESCO would find it more profitable to make use of the studies which they have already completed. In the field of the natural sciences, for instance, the records collected by the International Council of Scientific Unions and the International Centre of Documentation could be of

great assistance to UNESCO. It would be wrong to duplicate the work of private organizations which, in certain fields of research, can carry out projects more efficiently. The Organization would do better to make use of the facilities which these bodies would willingly make available to it on request.

"It is a pleasure to note that UNESCO maintains close relations with the United Nations, the Economic and Social Council, and with other specialized agencies. If this co-operation were to take a more active form, it would, in a great many instances, obviate overlapping and permit a more rational use of the means at UNESCO's disposal. For example, the studies on the methods of international co-operation which were undertaken by the Department of Social Sciences should be entrusted to the U.N. Secretariat, which has already published a comparative tabulation of the rules of procedure of U.N. Commissions. Furthermore, the General Assembly has directed the Interim Committee to make similar enquiries in the political field. I note, moreover, that the Co-ordinating Committee of the Economic and Social Council has not yet defined clearly the respective functions of the various specialized agencies with regard to the education of handicapped children. It is not incumbent on UNESCO to go ahead without consulting the other interested organs of the U.N. Its sphere of duties is quite large enough without its being tempted to encroach on those of its neighbours.

UNESCO MACHINERY

"Then again, there is room for improvement in the working of the UNESCO machinery. The multifarious sessions of the General Conference put a heavy tax on a staff which is unstable, taken on as it is for short periods and constantly changed. In order to ease in some degree the heavy burden which is entailed by holding conferences far from the headquarters of the Organization, while the regular business rests in abeyance, it would be preferable to hold alternate sessions in Paris. And yet, notwithstanding these difficulties, which do not appear insuperable, correspondence should not hang fire. The Canadian Government was anxious to consult scientific and educational groups with regard to the draft resolutions which the Executive Board intends to place on the agenda. The fact is, however, that these working papers arrived too late for the competent authorities of my country to consider them thoroughly before discussing them with the representatives of private associations. In view of the fact that these delays occur regularly, I should like to ask the branches concerned to see to it that they are not repeated."

NATIONAL NOTES

The Department of Transport will launch an investigation into the collision on June 10 between a Canada Steamship cruise ship carrying 350 passengers and an Italian freighter, Maria Paolina G. The cruise ship was badly damaged and 25 passengers suffered cuts and bruises. The vessels collided at the mouth of the Saguenay River during a thick fog.

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Most of Winnipeg's recently flooded areas are now reported to be dry and householders are back into many homes, once flooded above the first floor. The level of the Red River was reported on June 13 to be back to 14.8 feet.

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Delegates from 15 countries voted in Ottawa on June 13 to recommend a change in the name of the Empire Press Union to Commonwealth Press Union.

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Believed to be the largest photograph ever produced in Canada -- a huge mosaic of the Winnipeg flood area taken by the RCAF -- is being displayed in the House of Commons. The picture is 55 feet long by 10½ feet high.

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LATE CROP REPORT: Wheat seeding is completed in the Prairie Provinces except in a few areas, the Bureau of Statistics reported on June 13. Growth has been rapid in Manitoba, for the most part; prospects in Saskatchewan have improved materially as a result of rains; crops in Alberta are generally fair.

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FARM INCOME DOWN SLIGHTLY: Cash income of Canadian farmers from the sale of farm products in the first three months of this year amounted to \$407,586,000, according to an estimate by the Bureau of Statistics. This was two per cent below the first-quarter estimate of \$415,931,000 for 1949, but six per cent above the \$383,359,000 for the first three months of 1948.

Cash income from the sale of field crops, at \$113,290,000, was eight per cent below the estimate for the same period of 1949. This decline can be partly explained by smaller marketings and lower prices for coarse grains and flaxseed. Under present coarse grain marketing regulations in the Prairie Provinces, producers are paid at the time of delivery only on initial price per bushel, a price which was lower during the first quarter of this year than for the same period of 1949. Any surpluses accumulated by the Canadian Wheat Board through the sale of these grains during the crop year 1949-50 will be shared with the grower after the close of the season.

In addition to the 1950 decline in marketings and prices, oats and barley equalization payments in 1949 helped to maintain last year's estimate above that of 1950.

Income from the sale of livestock at \$182,-355,000 during the first quarter of this year was nearly seven per cent above that of a year ago. With the exception of hogs, prices were higher for all livestock. Apart from sheep, marketings also increased. Income from the sale of dairy products was down to \$59,-046,000 from \$62,172,000.

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PRODUCTION

Creamery butter production was lower in May and the first five months of this year than in the corresponding periods of 1949. The month's output declined to 28,616,000 pounds from 31,987,000, and in the five months to 78,-791,000 pounds from 81,865,000.

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Production of margarine during May increased to 8,019,000 pounds from 7,190,000 in the preceding month and 7,200,000 in the corresponding month last year. The cumulative total for the first five months of this year rose sharply to 42,922,000 pounds from 26,-259,000 in the similar period of 1949.

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The synthetic textiles and silk industry operated at a substantially higher level in 1948 than in the preceding year. The gross value of production, amounting to \$107,142,000, rose sharply over the preceding year's total of \$84,870,000, and was four and one-half times higher than pre-war 1939.

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EMPIRE PRESS UNION: The following is an excerpt from the address of the Minister of Transport, Mr. Chevrier, before the meeting of the Empire Press Union Conference, in Ottawa, on June 14:

"It has been said that the main mission of the press is to interpret people to each other, and races to each other, and classes to each other. I know you will all agree that that mission would be more easily accomplished if throughout the world today the despatch of news was free and unfettered. Had we in these unsettled times the right to send news everywhere and the right to pick up news everywhere, I firmly believe we would have one of the strongest deterrents to war.

"The Empire Press Union has a common interest in a great profession and a particular concern in Commonwealth relations. The contribution you are making in binding this great family of nations in closer ties is unquestionably also a notable contribution to the cause of world peace.



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WEEK'S EVENTS IN REVIEW

NORTH ATLANTIC COUNCIL REPORT: The Secretary of State for External Affairs, Mr. Pearson, in the House of Commons on June 5, made a report on his recent attendance at the meeting of the North Atlantic Council, declaring in conclusion that he had been profoundly impressed by the new spirit of hope in Europe and the United Kingdom.

"There is certainly no reason of any kind for us to be unrealistically optimistic about what is happening or what may happen, and this is certainly no time for us to lower our guard in any respect," he added. "Nevertheless, there is a new feeling of confidence in Western Europe itself. Both the United Kingdom and Western European countries have made great strides in economic recovery....The recovery of morale in Western Europe is perhaps of even greater importance. I think it is not an exaggeration to say that that is due in large part to our North Atlantic Treaty, and the action which has been taken under it...."

The Minister expressed it as his firm belief and declared as the principle upon which the foreign policy of the Government was based, "that the North Atlantic Treaty and the United Nations complement each other, that the aims and purpose of the larger body are sustained and strengthened by the smaller, and that the greater security which the members of the North Atlantic community enjoy by reason of their association together contributes mate-

rially to the political stability which is essential if problems of international order are to be solved."

Mr. Pearson proceeded:

"....Whether we like it or not, the technical developments of our time are leading us towards 'one world.' If we do not get there as a result of peaceful co-operation we will almost certainly have that end imposed on us by force at the conclusion of a devastating war. Naturally we want to move towards world unity the peaceful way, and we are more likely to do so if political and economic stability are maintained over as wide an area as possible. That is the reason why the North Atlantic Treaty is a constructive contribution to the objectives of our larger policy. To the extent that it increases the security of the members of the North Atlantic community it also increases their ability to co-operate in the work of the United Nations, to fulfil their commitments under the Charter, and also to base their policies on the assurance that 'one world' may be attained by peaceful means since no one will risk the attempt to impose it by force.

"Therefore I suggest, Mr. Speaker, that we must never cease to emphasize that the North Atlantic Pact is for peace alone. I am more convinced of this than ever before since our discussions in London. I can assure the House, if any assurance is needed, that if any member

INTERNATIONAL TRADE FAIR: People who know trade fairs best, the many exhibitors showing their goods at the Canadian International Trade Fair for the second or third time, say that business has never been so good so early in the show. Since the opening on May 29, buyers seem to be skipping the "Just looking" stage to place orders immediately, and if this trend continues till the closing day on June 9, the third Canadian International Trade Fair is assured of going over the top, according to a Trade Fair Press release.

A group of Scottish exhibitors, back at the Trade Fair for the second time, have taken orders for linen, glassware, children's clothing and hand-woven tweeds... A Belgian sporting goods firm, a repeat exhibitor, has had buyers on the stand since opening day... An English toy manufacturer, back again, has taken orders, and incidentally, encouraged by the success of last year's sales, has established a branch plant in Canada.

Guatemalan coffee exhibitors, in the Canadian International Trade Fair for the first time, have already indicated that they'll be back next year with more Central American products... A Canadian diamond sock manufacturer had made valuable domestic contacts... Italian textile mills have taken early orders... A Netherlands cigar exhibitor is luring buyers with the fragrant aroma of blended Sumatra and Havana tobaccos... A Belgian blanket manufacturer is introducing his high quality product to North America at the Trade Fair, and has taken orders... A Canadian exhibitor in the Manitoba group has sold women's suits to an American buyer.

Organizers of the combined Manitoba exhibits say they came into the Trade Fair to tell the world that Manitoba industry is also in the running. They couldn't have picked a better way, because world business interest is focussed on Canada's International Trade Fair.

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AUTO SHIPMENTS DECLINE SLIGHTLY: Factory shipments of Canadian-made motor vehicles showed a slight decline in April after rising sharply in the previous three months. Passenger cars were again shipped in greater numbers, but there was a drop in commercial vehicle shipments.

There were 26,386 passenger cars and commercial vehicles shipped in April as compared with 26,685 in April last year, bringing the cumulative total for the first four months of this year to 115,101 units from 83,311 in the like period of 1949.

Shipments of passenger cars in the month advanced to 18,875 units as compared with 17,432 a year earlier, while commercial vehicles were lower at 7,511 units as against 9,253. In the four-month period, 84,183 passenger cars and 30,918 commercial vehicles were shipped, as compared with respective totals of 50,948 and 32,363 a year earlier.

SUPPLEMENTARY UNEMPLOYMENT INSURANCE: The Minister of Labour, Mr. Mitchell, on June 1, released detailed figures on the operation of the supplementary unemployment insurance benefit programme.

This year, supplementary benefits were in effect from February 28 to April 15, and the figures therefore cover this period. In future years, supplementary benefits will be in effect from January 1 to March 31.

During March and April 129,900 persons filed claims for supplementary benefit, and benefit payments were begun on 71,000 of these claims. About 51 per cent of the claims were filed in Quebec.

About \$3,306,000 was paid out in benefits during the period, with the payments averaging \$1.89 a day. During April, regular insurance benefits averaged \$2.43 a day. The daily rate for supplementary benefit is set at about 80 per cent of the rate for regular benefits.

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SALT FISH MARKETING: Following discussions held in Ottawa last week on marketing problems faced by the salt fish industry of the Atlantic Coast, a party of four Government officials has proceeded to Newfoundland on May 31 to obtain additional information on the situation prevailing in that Province.

The group is headed by B.P. McInerney, marketing officer of the Fisheries Prices Support Board. Others are, G.E. Hopson and F.E. Popper, officials of the Board, and E.K. Turner, Chief Treasury Officer for the Department. It is anticipated the survey will take from one to two weeks to complete. The information is being obtained to enable the Board to prepare a recommendation through the Minister of Fisheries to the Government.

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15,000 FOR ARMY CAMPS: Attendance at Canadian Army Reserve Force summer training camps is on the increase. Where only 11,000 officers and men went to camp last summer, an estimated 15,000 will have attended before next September. Almost 7,000 of them will train at Petawawa, it is announced.

Camp attendance figures for the past 20 years reveal a steady increase in the numbers of men reporting for summer field training. Peak year was the first year of the Second World War when some 30,648 reservists attended camp. Poorest year, the record shows, was during the summer of 1931 when a mere 1,687 men felt they could afford to devote time to military training.

This year camps will be opened for Reserve soldiers at Esquimalt, B.C., Chilliwack, B.C. Wainwright, Alta., Dundurn, Sask., Shilo, Man., Picton, Ont., Petawawa, Ont., Valcartier, Que. and Aldershot, N.S.

TWO FISHERIES CONVENTIONS: Two international conventions affecting the commercial fisheries of Canada's east and west coasts--the International Northwest Atlantic Fisheries Treaty and the Pacific Coast Privileges Treaty--were approved by joint resolutions of the Senate and House of Commons on June 1.

The International Northwest Atlantic Fisheries Treaty was signed in Washington on February 8, 1949, by 11 countries. The Canadian Delegation, headed by Stewart Bates, Deputy Minister of the Department of Fisheries, discussed with delegates from the United States, Great Britain, Newfoundland, France, Spain, Portugal, Iceland, Denmark, Norway and Italy, the need for scientific investigation and protection of the fishery resources of the northwest Atlantic.

Ratification of the Treaty extends to Newfoundland which became part of Canada since the signing ceremony took place. Deposit of the instrument of ratification by Canada, when authorized by the Governor-in-Council, will bring the convention into force, as ratification by any four signatory governments was necessary for this and such action has already been taken by Great Britain, Iceland and the United States.

SEPARATE PANELS

A commission will be established on which all contracting governments will be represented. This commission will have separate panels with jurisdiction over defined sub-areas of the northwest Atlantic in which governments with particular fishing interests will have representations.

The permanent seat of the commission will be in North America at a point still to be determined by the commission.

The convention which grants reciprocal port privileges to halibut fishing vessels of Canada and the United States in west coast ports of both countries, was signed in Ottawa on March 24, this year, by the Minister of Fisheries, Mr. Mayhew, and the late Laurence A. Steinhardt, on behalf of their respective Governments. Deposit of the instrument of ratification of this treaty by Canada also requires authorization of the Governor-in-Council. It has not yet been ratified by the U.S. Government.

The treaty puts on a continuing basis privileges granted heretofore on an annual basis by special legislation. The fishing industry will now be assured, in advance of the season, of their availability.

In addition, Canadian halibut vessels will receive reciprocal privileges in ports of the United States proper instead of only in Alaskan ports which has been the case until now.

The privileges allow halibut vessels of both countries to land their catches of halibut and sablefish and to sell them locally on payment of the applicable customs duty. If not sold, the catches can be shipped in bond under

customs supervision to any part of either country, or can be sold in bond for export.

Supplies, repairs and equipment will be available in any port, subject to whatever customs and navigation laws are applicable.

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EMPLOYMENT RISES SHARPLY: There was a further sharp improvement in the employment situation during the first part of May. Thousands of workers were being hired for work on the farms, on construction projects and for log-driving operations. The recent fine weather has permitted a surge of activity after a late spring, and confidence in the outlook for the rest of 1950 is growing, the Minister of Labour, Mr. Mitchell, announced on June 3.

Reflecting this improvement, the National Employment Service has been placing an increasing number of workers in recent weeks. An average of 18,000 persons were placed in employment during each of the first two weeks of May, as against a weekly average of 13,000 during April. At May 18, however, there remained 306,000 persons registered for work with the National Employment Service. This was a decline of 81,000 from the figure of May 4, and 128,000 below the peak reached at April 6 this year. The comparable figure for the number of persons registered in the National Employment Service on May 19, 1949, was 169,000.

The drop in the number of applicants at National Employment Service offices was also due to the termination of the supplementary benefit programme. This programme ended on April 15. About two-thirds of those who claimed supplementary benefits were loggers and construction workers from the Maritime provinces and Quebec. Most of these people have now found jobs in agriculture and construction.

In agriculture, seeding was well under way in all regions by the middle of May. The supply of workers available for farm work is better than at any time since early in the war and is now about equal to the demand. As a result, immigration of Displaced Persons for farm work will be on a reduced scale this year. During April, 506 persons were admitted for farm work, under the group movement plan, including 267 single males and 239 persons in family groups.

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BANK OF CANADA DIRECTORS MEETING: Regular meetings of the directors of the Bank of Canada and the Industrial Development Bank will be held in Saint John, N.B. on June 13 and in Halifax on June 16 it has been announced by Governor Graham Towers. In conjunction with the meetings, directors and officers will visit a number of centres in the eastern provinces.

The programme arranged for next week was originally scheduled last September but arrangements had to be cancelled at the last moment when the announcement of sterling and

other European currency devaluations made the presence of various officials in Ottawa desirable.

The policy of holding directors' meetings outside of Ottawa periodically was inaugurated in September 1948, when directors met in Vancouver and visited a number of points in western Canada en route. This policy was established to give directors and officers an opportunity to see various parts of the country where the Bank conducts its operations.

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GEODETIC SURVEYS PROGRAMME: The Acting Minister of Mines and Technical Surveys, Mr. Winters, announced on June 2 the programme of the Geodetic Survey which is placing 29 parties in the field this season.

Geodetic Surveys, which include triangulation, levelling and astronomical observations, provide the basic surveys for Canada's extensive mapping programme and important engineering projects.

Surveys will be carried out along the Alaska Highway, in British Columbia, in northern Ontario, in the Ungava peninsula and in the Arctic islands. Parties have also been assigned to the southern coast of Newfoundland and the St. John's to Port-aux-Basques area in that Province.

Extension of the work carried out last year in the Quebec-Labrador iron region is planned as well as an extensive Shoran project in Western Canada.

Shoran, an application of radar principles, is being used to establish horizontal geodetic control in northern Manitoba, northern Saskatchewan, and the Northwest Territories. Successful application of Shoran will greatly expedite geodetic surveys in Canada since signal stations may be placed several hundred miles apart instead of close enough for visual observations, the method presently in general use.

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ICAO STUDIES NEW CONVENTION: The Protection which must be afforded innocent third parties on the surface against the risks of air navigation will be studied by the Legal Commission of the International Civil Aviation Organization during the Assembly in Montreal.

Legal experts from more than thirty countries will attempt to finalize a new draft Convention on damage caused by aircraft to third parties on the surface and submit it to the Assembly for adoption.

The new Convention would eventually replace the Rome Convention of 1933 and the Brussels Insurance Protocol of 1938, which only a few Governments have accepted. The new draft has been prepared to avoid some of the major objections to the original agreements.

ICAO undertook to study the possibility of revising the Rome Convention immediately after the first session of the Legal Committee in September 1947.

INTERNATIONAL TRADE FAIR: Prime Minister Liaquat Ali Khan of Pakistan paid an official visit to the third Canadian International Trade Fair on June 2. Accompanied by the Begum Liaquat Ali Khan and the Solicitor-General, Mr. Lapointe, the Prime Minister was met by Government and Trade Fair officials.

In front of the Coliseum at the Fair grounds, he reviewed a guard of honour of troops of the Royal Canadian School of Infantry, commanded by Captain D. Cameron, and the band of the 48th Highlanders. The Prime Minister then signed the registration book in the Reception Centre, and began his tour of the Trade Fair with a visit to the Government of Pakistan exhibit.

In an interview with the press, the Prime Minister, according to a Trade Fair news release, said his talks in Ottawa had resulted in greater agreement on trade problems, and that all avenues for additional trade between the two countries would be explored. "I wish we could see some enterprising Canadians come to Pakistan to aid in the industrial development of our country", he said. "Industrially our country is very far behind. We are primarily an agricultural country."

The balance of trade between Canada and Pakistan is heavily in Canada's favour, and means to reduce this imbalance were discussed in Ottawa by Liaquat Ali and Canadian Government officials. Last year Pakistan exports to Canada totalled \$1,200,000, while her imports from this country amounted to \$18,096,811. This ratio has continued during the first three months of this year.

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GROUP LIFE INSURANCE SURVEY: The Bureau of Statistics has issued a reference paper containing descriptive notes of different types of employee group life insurance and sickness benefit plans in effect in a number of Canadian industries. The paper is based on information contained in 53 booklets which companies forwarded to the Bureau.

Of the companies under study, 28 have group life insurance plans for their employees. With the exception of one administered by a non-profit organization, the plans are part of a "package" which also provides for some kind of sickness benefit. Premiums cover both life insurance and sickness benefits. Administration and eligibility requirements for participation in the plan are the same as for the respective sickness benefit plans.

Under some sickness benefit plans, fixed weekly amounts are paid, but some non-profit plans provide for payments of full wages or a certain percentage thereof for a limited length of time. The period for which benefits are paid ranges in most cases from the second to the 13th week of illness, but in some cases, payments begin with the fourth or fifth day of illness. In case of accident, benefits start usually with the first day of illness.

NORTH ATLANTIC COUNCIL REPORT

of the North Atlantic group had aggressive intentions or tried to engage in provocative diplomacy--and this of course is not the case--the other members of the group would neither follow nor support that member. There need be no doubt on that score no matter what the so-called communist 'partisans of peace' and their misguided followers may say. The nations of the North Atlantic community who are co-operating for peace can, I think, face the days ahead with renewed and indeed increased confidence because of the decisions that we took at the recent London meeting.

Coming to the conclusion of the London meeting itself, the Minister said that many of them were necessarily secret, because they affected the details of defence planning. But a decision had been taken in the military defence field which he thought was without precedent in peacetime. He proceeded:

"...We have adopted the principle of balanced collective forces as the basis for our defence. Here is the text of paragraph 5 of the summary of conclusions:

ADEQUATE MILITARY DEFENCE

'The Council unanimously agreed that if adequate military defence of the member countries is to be achieved it must be along the lines of the most economical and effective utilization of the forces and material at the disposal of the North Atlantic countries. They accordingly urged their Governments to concentrate on the creation of balanced collective forces in the progressive build-up of the North Atlantic area, taking at the same time fully into consideration the requirements for national forces which arise out of commitments external to the North Atlantic area.'

"It seems to me, Mr. Speaker, this is no less than the principle of the international division of labour to be applied amongst the members of the North Atlantic community for collective defence. We are now pledged to do within the framework of the North Atlantic Alliance what each of us has already been doing within our national defence system. We shall try to agree amongst ourselves which of us is the best able to concentrate on certain types of defence preparation.

"This principle may come to mean the further application to defence, new techniques and tactics of scientific warfare; and eventually, possibly, to the abandonment of the old concept of defence by great masses of conscripted infantry, the bulk of which would be reservists called up on the outbreak of war.

"In this planning allowance has to be made for the fact that certain states have commitments which are external to the North Atlantic area. Allowance has also to be made for the specially exposed position of some states to meet an initial attack. The acceptance of 'collective balanced forces' does not of course imply a strategy by which less exposed coun-

tries, or at least countries less exposed to ground attack, can collect their resources of men and material behind the ramparts of sacrifices made by others so that eventual victory can be achieved. North Atlantic strategy cannot mean, and our agreement does not imply, a strategy of liberation after destruction and occupation. There could be no hope for Europe in that strategy because the next time there may well be nothing to liberate.

"On the other hand our strategy cannot be based on plans for national action alone, through national forces developed for national territory alone. The new principle recognizes, if I may pick out a purely hypothetical example, the waste and futility of one country trying to build battleships, let us say, if there are enough of these already in the navies of other members of the group. This principle in its turn must rest on the firm assurance that the other battleships, if I may continue that example, will be at your service if you need them. Therefore I think, Mr. Speaker, that this decision in favour of balanced collective forces is of vital importance. Of course it is a decision of principle only. Many bridges will have to be crossed before its application can be worked out in practice...."

DEFENCE PREPARATION

"In this field of defence preparation the Council also took a number of other important decisions. A beginning has been made by the two Defence Committees of the Council, one military and the other financial and economic, in working out the details of a unified defence programme for the North Atlantic community.

"The reports of these committees were reviewed and carefully examined, and directives were issued to guide these Committees in their future work. To quote from the communique, 'these directives emphasize that the problem of adequate military forces and the necessary financial costs should be examined as one, not as separate problems.' It was recognized that while in present political circumstances defence requirements must come first, nevertheless it might be dangerous and indeed disastrous if the defence effort in any country were carried to a point where it strained and weakened the economic and social fabric of that country...."

"In short, Mr. Speaker, the Atlantic nations must supply their peoples with guns and butter until guns are no longer needed. How much of each will have to be determined by each country in the light of its own special position and of the general situation. Personally, however, I think it is idle and indeed it could be mischievous to try to lay down formulae and mathematical criteria for the purpose of determining exactly how much each country should do...."

"Other decisions which were important in the field of defence concerned mutual aid and shipping. In London we reaffirmed the prin-

ciple that self-help and mutual aid are important parts of our defence measures. Again the detailed effect of this decision will have to be worked out....

"The decision to establish a North Atlantic Planning Board for ocean shipping is another step of great potential importance in the preparation of a unified system of defence. By this means we hope to be able to foresee and meet in advance any emergency that may arise in wartime in connection with the organization of our merchant shipping in the North Atlantic.

"These decisions, Mr. Speaker, have carried us a long way, I think, in the preparation of a unified defence system for the North Atlantic community. They are not, however, military decisions alone. A large part of their effectiveness, a large element in the strength of the North Atlantic Alliance, rests in the fact that we are not taking decisions about defence unrelated to other problems, and that we are not concentrating merely on military preparations. In this connection I should like to read another part of the Council's final conclusions:

'In formulating their directives the Council proceeded on the basis that the combined resources of the members of the North Atlantic Treaty were sufficient, if properly co-ordinated and applied, to ensure the progressive and speedy development of adequate military defence without impairing the social and economic progress of these countries.'

ECONOMIC COLLABORATION

"That is a proposition with major implications, and we are able to state it with conviction not merely because we have adopted the principle of division of effort but also because we have written into our Treaty, in article 2, a commitment to economic and social co-operation on a wide front. In the light of our determination to proceed with adequate defence measures and at the same time fortify the economic welfare of our North Atlantic community, which is such an important part of our defence, the consideration we gave to article 2 in London takes on a new and added significance. We all agreed that this article is a fundamental part of our pact and that the greatest possible value must be attached to the concept of social and economic collaboration in the North Atlantic community, which it embodies.

"The question is continually being asked, in regard to article 2, whether or not we intend to set up some special machinery for this kind of collaboration among the members of the group. Well, it is too soon to answer that question....

"....As a constructive step forward, the Governments of France, Great Britain, the United States and Canada have suggested the possibility that, for the time being, the United States and Canada should enter into informal, but I hope effective, relationship

with OEEC. This suggestion was made after consultation with Mr. Stikker, the Netherlands Foreign Minister, who is Chairman of OEEC. I expect that it will be considered by OEEC itself some time in the near future. The circumstances connected with this decision were made known to the House in a statement by the Prime Minister (Mr. St. Laurent), I believe on May 18. We are hopeful that, whatever form of organization eventually emerges, it will develop into an important agency for social and economic co-operation between free Europe and free North America; co-operation which may one day lead to an Atlantic Commonwealth of free states.

"Independent of this OEEC development the Council, at its meeting in London, and to emphasize its recognition of the importance of article 2, decided to direct its Committee of Deputies to study and report as to what further action can be taken under article 2 of the Treaty; this report is to be made available for the next meeting of the Council in September. These studies will refer to both economic and social questions, and consideration will also be given to the possibility of greater co-operation in preparing and making available information about the aims and objects of the North Atlantic Alliance...."

Mr. Pearson touched on the decision to establish a committee which would meet in more or less continuous session as deputies of the members of the Council. It was expected that the Governments concerned would appoint their deputies shortly. This committee, he said, would have its headquarters in London, "and it will not be surprising if the United States member of the Committee is chosen as its Chairman."

He commended the recent French proposal for consolidating Western European coal and steel production under a single control as "indicative of the imaginative approach to their problems that Western European nations are making."

Discussion of Mr. Pearson's report followed, the speakers being Mr. Gordon Graydon, Progressive Conservative, Peel; Mr. M.J. Coldwell, Leader of the Co-operative Commonwealth Federation; Mr. Solon E. Low, Leader of the Social Credit Party; Mr. J.M. Macdonnell, Progressive Conservative, Toronto-Greenwood, and Mr. John H. Blackmore, Social Credit, Lethbridge.

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CARLOADINGS: Carloadings on Canadian railways during the holiday week ending May 27 continued heavy at 72,773 cars, up 6,616 cars or 10 per cent over the corresponding week last year. Eastern division loadings totalled 49,798 cars as compared with 45,159 a year earlier, while the western region had 22,975 cars as against 20,998. Cumulative total for both divisions for the 21 weeks ending May 27 amounted to 1,473,299 cars as compared with 1,517,072 in the like period of 1949.

NATIONAL NOTES

The Manitoba Flood Relief Fund totalled \$3,400,000 on June 6, with contributions still pouring in. The Red River level, at that date, was 20.9 feet, down about 10 feet from the flood peak.

The first report of the joint Senate-Commons Committee on the library of Parliament, urging immediate action in the construction of a suitable building to house Canada's new book and manuscript centre, has been tabled in the two Chambers.

Right Hon. Vincent Massey has been appointed Chancellor of the University of Toronto for a second term, it has been announced. The appointment is for three years commencing July 1.

The Minister of Resources and Development, Mr. Winters, and the Honourable W.S. Anderson, Minister of Public Works for the Province of New Brunswick, announced jointly on May 30 that the Province of New Brunswick has signed the Trans-Canada Highway Agreement with the federal Government.

The Solicitor General, Mr. Lapointe, said in the House of Commons on June 6 that he believed it was the duty of Parliament to retain capital punishment.

Eighty delegates, including many Canadians, are gathered in Quebec for the Seventh Imperial Press Conference, opening this week.

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LIVING COSTS UNCHANGED: The Bureau of Statistics cost-of-living index, on the base 1935-39=100, remained unchanged at 164.0 between April 1 and May 1. A slight increase in foods was counter-balanced by decreases in the fuel and light and clothing indexes.

The food group index advanced 0.1 points to 204.6. A five-cent decline in butter, and small decreases in eggs and pork, were not sufficient to offset an average increase of four cents in beef and two cents in coffee. The clothing index registered a decline of 0.4 points to 180.8, reflecting some price reductions in women's wear.

Fuel and light moved from 138.0 to 137.5 as decreases in anthracite coal proved more important than advances in electricity rates in certain Ontario centres. The index for electricity rates is still below pre-war levels. The index of homefurnishings and services was unchanged at 166.4 as was the miscellaneous group at 132.3. Rents were not surveyed during May and the index remained at 132.7.

PRODUCTION

Output of 12 of 16 of Canada's leading minerals was higher in February than in the corresponding month of 1949, while in the first two months of this year, production was advanced in 10 of the 16 items.

The gross value of canned foods produced in Canada in 1948 rose to an all-time record total of \$240,831,000, showing an increase of 10 per cent over the preceding year's value of \$219,552,000. The 1948 value was more than three and one-half times the pre-war 1938 figure of \$64,867,000.

Wheat flour production increased three per cent in April over the corresponding month last year, amounting to 1,628,351 barrels as compared with 1,582,191. In the first nine months of the current crop year, 15,680,547 barrels were produced as against 15,645,691 in the similar period of 1948-49.

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HYDROGRAPHIC CHARTING PROGRAMME: A fleet of Canadian Government ships, motor vessels, and launches operated by the Canadian Hydrographic Service will continue hydrographic charting on the east and west coast, and in Arctic and inland waters this season according to an announcement by the Acting Minister of Mines and Technical Surveys, Mr. Winters.

Three ships of the 100-ton class, the ACADIA, the KAPUSKASING, and the FORT FRANCES, assisted by the 100-ton CARTIER will carry out extensive work along the Newfoundland and Labrador coasts, the Strait of Canso, Halifax Harbour, Quebec, and the St. Lawrence Estuary and in other eastern areas.

Also in the 1000-ton class is the WM. J. STEWART which has been assigned to work in Queen Charlotte Sound and Prince Rupert area, and the coast of Vancouver Island in the west. Smaller ships will operate in Halifax and Pictou Harbours, Placentia Bay, and other Newfoundland waters.

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PRESIDENT OF ICAO ASSEMBLY: His Excellency Kamel El Rehim Bey, head of the Egyptian Delegation, was elected President of the Fourth Session of the International Civil Aviation Organization's Assembly, meeting in Montreal. Vice Presidents elected were the Honourable T.W. White of Australia, Captain Mario Torres Menier of Cuba, M. Fernand Hederer of France, and Sir Frederick Tymms of United Kingdom.

The Assembly also chose the chairmen of its various Commissions: Administrative Commission, Vice-Commodore Ermanno Augusto Renato Beni, Argentina; Economic Commission, Mr. E.C.R. Ljungberg, Sweden; Technical Commission, Mr. A.P. Dekker, Netherlands; Legal Commission, Mr. Emory T. Nunneley, United States.

DELEGATES TO I.L.O. CONFERENCE: The Minister of Labour, Mr. Mitchell, on June 7, announced the names of Canada's Delegates to the 33rd session of the International Labour Conference, which opened on that date in Geneva. The Conference, which will sit until July 1, is the legislative body of the International Labour Organization, and is attended by tripartite delegations, consisting of representatives of Government, labour and management, from 60 member nations.

Paul Goulet, O.B.E., Assistant to the Deputy Minister of Labour and Director of the I.L.O. Branch at Ottawa, and N.F.H. Berlís, Secretary of the Permanent Delegation of Canada to the European Office of the United Nations at Geneva, are the Government Delegates.

Harry Taylor, O.B.E., of the National Carbon Company, Toronto, is representing the employers.

The Workers' representative is Claude Jodoin, of Montreal, Vice-president of the Trades and Labour Congress of Canada.

John Mainwaring, Assistant Editor of the Labour Gazette, is acting as secretary to the Delegation.

Advisors to the Government Delegates are Brigadier J.E. Lyon, Assistant Director of the Vocational Training Branch of the Department of Labour; Angus MacInnis, Member of Parliament for Vancouver East; H.R. Rutherford, Executive Assistant, Labour Management Co-operation Service, Department of Labour; R.H. Taber, of the Industrial Relations Branch, and John Mainwaring, both of Department of Labour, and Miss Edith Hardy, of Ottawa, formerly with the Department of Labour.

The Employers' Delegate will be advised by J.C. Whitelaw, K.C., Manager of the Quebec Division of the Canadian Manufacturers' Association; T. Woodford Smith, of Canadian Industries Limited, Montreal; A.C. Ross, Canadian Construction Association, Ottawa, and J.A. Brass, of Montreal, General Secretary of the Railway Association of Canada. Advisors to the Workers' delegate are Arthur J. Kelly, O.B.E., of Ottawa, Chairman of the Dominion Joint Legislative Committee of the Railway Transportation Brotherhoods; A.F. MacArthur, of Toronto, President of the Ontario Federation of Labour, and Gérard Picard, O.B.E. of Montreal, President of the Canadian and Catholic Confederation of Labour.

C.C. Williams, Minister of Labour for Saskatchewan, will attend the conference.

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MONUMENTS BOARD CHAIRMAN: The Minister of Resources and Development, Mr. Winters, has announced that the Historic Sites and Monuments Board of Canada, meeting in Ottawa May 31 -- June 2, has chosen Dr. Fred Landon, M.A. LL.D., F.R.S.C., of London, Ontario, to be its new chairman. Dr. Landon succeeds the late Dr. J. Clarence Webster of Schediac, New Brunswick.

DEPARTMENTAL APPOINTMENTS: Mr. T.W.L. MacDermot, Head of the European Division of the Department of External Affairs, has been appointed High Commissioner for Canada in South Africa to succeed Mr. E.D. McGreer, who has returned to Canada on home leave. It is expected that Mr. MacDermot will leave Canada for South Africa some time in August.

Lt.-Gen. Maurice Pope, who has been Head of the Canadian Mission to the Allied High Commission in Bonn and also Head of the Canadian Military Mission in Berlin, has been appointed Ambassador to Belgium and will take up his duties there early in June. As was announced on May 8, 1950, the Hon. T.C. Davis, former Ambassador to China, will replace General Pope.

Mr. R.G. Riddell, Special Assistant to the Secretary of State for External Affairs since January, 1949, who has been appointed Head of the Permanent Delegation of Canada to the United Nations in New York, will replace Mr. J.W. Holmes, who has been Acting Permanent Delegate since January, 1950. Mr. Riddell will proceed to New York in August. Mr. Holmes will return to the Department in Ottawa, where he will resume his post as Head of the United Nations Division.

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UNEMPLOYMENT CLAIMS DECREASE: Claims for unemployment insurance benefits in April totalled 90,123, showing a decrease of 32 per cent from the preceding month's total of 133,404, but an increase of 31 per cent over last year's April total of 68,979. Of the claims filed in April, 80,028 were initial and renewal claims as compared with 119,533 in March and 58,141 in April, 1949.

Ordinary claims on the live unemployment register numbered 209,905 in April as compared with 265,382 in March and 134,480 in April, 1949. Persons commencing receipt of benefit in April numbered 59,965 as compared with 91,646 in March. During April, \$11,353,188 was paid in respect of 4,670,731 days as against \$15,747,725 and 6,466,268 days in March and \$7,605,824 and 3,400,443 days in April last year.

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STORE SALES DOWN 10 PER CENT: Department store sales in Canada in April -- excluding Newfoundland -- totalled \$67,434,000, showing a decline of 10 per cent from the April, 1949 value of \$75,037,000. Cumulative sales for the first four months of this year showed a decline of three per cent, amounting to \$234,805,000 as compared with \$242,858,000 in the similar period of 1949. All regions of the country registered decreases in April, ranging from seven per cent in British Columbia to 25 per cent in Saskatchewan.



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WEEK'S EVENTS IN REVIEW

U.K.-CANADA WHEAT STATEMENT: The Minister of Trade and Commerce, Mr. Howe, made the following statement in the House of Commons on May 30 in connection with his recent discussions in London on the subject of the United Kingdom's 1950-51 wheat requirements:

"In connection with my recent trip to the United Kingdom, I should like to read into the record an agreed statement by the United Kingdom and Canadian Governments recording the result of our wheat discussions.

"The Canadian Minister of Trade and Commerce held discussions in London with United Kingdom Ministers on the subject of the United Kingdom's wheat requirements in the crop year 1950-51 within the framework of the International Wheat Agreement.

"Both Governments have now reviewed the results of those talks. They are agreed that the International Wheat Agreement removes the need for a contract to replace the existing Anglo-Canadian Wheat Agreement which expires at the end of July.

"The United Kingdom Government has made it clear that out of its total wheat import requirements in 1950-51, it expects to buy a large proportion in Canada which, quite apart from the special contractual arrangements for the past four years, is, and it is hoped will remain, the traditional source of supply for the United Kingdom. The Canadian Government, for its part, is satisfied that Canadian wheat

growers will continue to find in the United Kingdom a market for a very substantial part of their exportable wheat.

"I should also mention that the United Kingdom has agreed to take 300,000 tons of Canadian flour at competitive North American prices as part of its purchases of Canadian wheat in the crop year 1950-51.

"In the light of all our discussions, I think it reasonable to assume that in 1950-51 the United Kingdom will purchase from Canada between 100 and 120 million bushels of wheat. It is understood that such wheat will be offered upon international wheat agreement terms as to price, quality and position not less favourable than those obtained by any other buyer in the dollar market, whether in the United States or in Canada."

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SEEDING ON PRAIRIES: Crop conditions over the Prairie Provinces are extremely variable. Precipitation in Manitoba since April 1 has averaged more than 60 per cent above normal and a most backward season is being experienced in that Province. In central and northern sections, however, seeding is now making rapid progress and should be general in the south, except for flooded areas, later this week. Pastures and hay crops are generally promising.

In Saskatchewan, spring precipitation averages only 14 per cent below normal, and sur-

EXPORTS TO U.S. AGAIN RISE

BUT OVERALL TOTAL DOWN: Canada's domestic exports to the United States again increased substantially during April over a year earlier for the sixth successive month, and were also higher to Latin American countries. But these gains were more than offset by sharp decreases in the value of shipments to the United Kingdom, other Commonwealth countries and to Europe, partly attributable to the late opening of navigation on the St. Lawrence system.

Exports to all countries during April were valued at \$205,500,000 as compared with \$237,800,000 in April last year. March exports showed a gain over the previous year, but January and February values were also lower and the aggregate value for the four months ending April fell to \$854,400,000 as against \$896,600,000 in the corresponding period of 1949.

Domestic exports to the United States moved up in April to \$137,792,000 from \$110,654,000 a year ago, showing a gain of nearly 25 per cent, and accounting for approximately 67 per cent of the month's total as against 47 per cent in April, 1949. Aggregate value for the four months ending April rose to \$551,800,000 as compared with \$455,804,000 for the like 1949 period, an increase of 21 per cent.

There were increases from a year ago in the month's exports to the United States in six of the main commodity groups, the exceptions being agricultural and vegetable products, iron and its products, and miscellaneous commodities. Largest gains were shown by the wood and paper group, up to \$71,524,000 from \$51,085,000; non-ferrous metals and products at \$20,343,000 as against \$15,276,000; and animals and animal products at \$14,513,000 compared with \$11,894,000. The agricultural and vegetable products group declined to \$8,466,000 from \$12,548,000, the other decreases being

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LABOUR INCOME HIGHER: Estimated total of salaries and wages and supplementary labour income in February was \$625,000,000, an increase of \$5,000,000 over the January figure of \$620,000,000, and \$20,000,000 or three per cent above the February, 1949 estimate of \$605,000,000. During the first two months of this year, estimated labour income rose to \$1,245,000,000 from \$1,212,000,000 in the similar period of 1949, or by three per cent.

Labour income in manufacturing advanced to \$216,000,000 from \$213,000,000 in February last year; in utilities, transportation, communication, storage and trade to \$166,000,000 from \$159,000,000; and in finance and services to \$141,000,000 from \$131,000,000.

The total for agriculture, logging, fishing, trapping and mining declined to \$43,000,000 in February from \$47,000,000 a year earlier, while labour income in construction increased to \$37,000,000 from \$34,000,000.

slight, but there were general declines in April in most groups from recent peak levels reached in March.

April shipments to the United Kingdom fell to less than half the value of a year earlier, being recorded at \$25,795,000 as compared with \$63,049,000, while the value for the four months was \$134,896,000 as against \$202,484,000 last year. Decreases were recorded in the month's exports of all main commodity groups, the largest declines being from \$30,139,000 to \$15,421,000 for the agricultural and vegetable group, in which the main component is wheat, and from \$17,385,000 to \$5,884,000 for the non-ferrous metals and products.

Total exports to other Commonwealth countries also declined in value to \$15,830,000 in April from \$27,114,000 in April, 1949, the cumulative total for the four months amounting to \$57,095,000 this year as compared with \$95,292,000 last year. Lower values were recorded for exports in the month to all main areas. Exports to the British West Indies and British Guiana declined to \$2,289,000 as against \$3,604,000 a year earlier, with largest decreases in sales to Jamaica and Trinidad and Tobago. Shipments to African countries fell off to \$3,824,000 from \$5,792,000, which was mainly accounted for by a decrease in exports to the Union of South Africa from \$5,412,000 to \$3,603,000. Sales to Commonwealth countries in Asia dropped in value to \$5,261,000 as against \$11,308,000, exports to India declining to \$2,746,000 from \$8,676,000 last year and to Pakistan to \$581,000 and \$1,384,000, but increasing to the Federation of Malaya. Reversing some previous gains, exports were also moderately lower to Australia and New Zealand, reducing the total for the Oceania group to \$3,115,000 as against \$4,388,000.

VOCATIONAL TRAINING DEVELOPMENT: The Deputy Minister of Labour, Arthur MacNamara, on May 23, urged leading Canadian educationalists and representatives of industry and labour attending a meeting of the Canadian Vocational Training Advisory Council in Ottawa, to give full attention to the re-training of unemployed workers for suitable employment.

Under federal-provincial agreements covering vocational training, provision is made for the re-training of unemployed workers under certain conditions. Mr. MacNamara noted that the numbers who had received training under this plan had been small to date, but that the program might be stepped up in periods of unemployment to the benefit of the individuals concerned and the whole economy.

Dr. G. Fred McNally, Chancellor of the University of Alberta and chairman of the meeting, reported that outstanding records were being established by war veterans taking university

training. He pointed out that many of the veterans were studying under difficulties due to family responsibilities not usually associated with the younger student. However, their enthusiasm and desire for higher education had resulted in outstanding academic successes. Dr. McNally pointed out that in the Dental faculty of his own University, 26 out of 39 graduates this year were married men with families.

R.F. Thompson, Director of Training, Department of Labour, in his report to the meeting, revealed that \$4,850,000 had been spent by the federal Government during the fiscal year 1949-50 towards the furthering of vocational training in Canada. This sum included \$367,439.00 for youth training, \$164,253.00 for veterans training, \$380,526.00 for apprentice training, \$226,537.00 for training of unemployed persons, \$1,697,284.00 towards the construction of new plants or extensions to existing vocational schools, \$357,209.00 towards the provision of training equipment, and \$1,582,146.00 towards operational costs.

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83 GEOLOGICAL SURVEY PARTIES: In the largest programme it has yet undertaken, the Geological Survey of Canada is assigning 83 parties to field work this year, the Acting Minister of Mines and Technical Surveys, Mr. Winters, announced on May 26. The programme provides for the investigation and mapping of areas in the Northwest Territories, Yukon, and the ten provinces, and for other investigations of industrial significance. The work is to include examination and mapping in the Quebec-Labrador iron region, the mapping of areas believed to be favourable for the accumulation of oil, gas, and coal, and a geophysical survey of ore-bodies in the Northwest Territories by use of the airborne magnetometer.

The programme includes both glacial and ground water studies in British Columbia, Alberta, Ontario, and Quebec, glacial studies in Manitoba, and New Brunswick, and ground water studies in Prince Edward Island.

Twelve parties will operate in the Northwest Territories, 6 in Yukon, 13 in British Columbia, 10 in Alberta, 5 in Saskatchewan, 7 in Manitoba, 8 in Ontario, 3 in Quebec, 3 in Quebec-Labrador, 4 in Newfoundland, 3 in New Brunswick, 6 in Nova Scotia, and 1 in Prince Edward Island. One party has been assigned to general radioactive mineral investigation, and one to magnetometer surveys.

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WHOLESALE PRICES HIGHER: Canadian wholesale prices showed a further advance in April, and the Bureau of Statistics index number, on the base 1926=100, rose to 160.1 from 159.3 in the preceding month and 157.5 in the corresponding month last year. Since the beginning of the year the index has advanced three points. The record high for this index was 164.3 registered in May, 1920.

PENSION AND WELFARE PLANS: Results of a survey of pension and welfare plans in force in Canadian industries at October 1, 1947, just released by the Bureau of Statistics, show that the largest coverage of employees (excluding establishments operated by railways) was under group life insurance, with next largest under pension plans, followed by plans providing sickness benefits. In many cases, employees were covered by two or more plans.

For the purpose of its survey, the Bureau sent out 17,040 questionnaires to firms or establishments, covering generally those with 15 or more employees, and received replies from approximately 90 per cent covering 1,993,134 employees, representing nearly 97 per cent of the total employment in firms under survey.

Out of 1,799,325 employees in establishments other than railways, 634,575 or 35.3 per cent were covered by group life insurance plans; 472,066 or 26.2 per cent by pension plans; 423,664 or 23.5 per cent by hospital care services; 276,343 or 15.4 per cent by plans for cash benefits for medical and hospital services; and 227,250 or 12.6 per cent by medical care services, some of which provided surgical care only.

Out of 14,452 reporting units, (excluding railways), 6,141 with 1,152,208 employees had group life insurance with 634,575 employees covered; 3,425 units with 915,709 employees had pension plans covering 472,066 employees; 4,615 units with 879,561 employees had hospital care services covering 423,664 employees; 2,571 units with 480,198 employees had cash benefits for medical and hospital services covering 276,343 of their working force; and 1,864 units with 419,619 employees had medical care services covering 227,250 employees. There were 6,444 units with 344,785 employees which reported having no pension or welfare plans.

Proportionally, the largest coverage under pension plans was 85.1 per cent in the communications group, followed by finance with 58.3 per cent of employees covered. Largest coverage for group life insurance was 46.7 per cent for finance, with the manufacturing group -- largest in size by far -- next with 42.5 per cent. Manufacturing had also the largest coverage under cash sickness benefits at 20.4 per cent, finance being second at 15.9 per cent. Under medical care service, mining was easily first in coverage with 48.4 per cent, while under hospital care service plans communications was first with 50.7 per cent, closely followed by mining with 50.6 per cent.

The Bureau's report presents detailed data on the results of the survey, which was made in collaboration with the Department of Labour and the Department of National Health and Welfare, to meet the growing demand for information of employee welfare plans in Canada's industries.

COLOURS FOR THE RCAF: Colours for the RCAF have been approved by His Majesty the King and are to be presented to the Air Force for use on ceremonial occasions, it was announced on May 30 by Air Force Headquarters. Presentation will be made on Parliament Hill on June 5, the King's Birthday, by His Excellency the Governor General, and the presentation will be accompanied by full ceremonial trooping of the Colours. This will be the first time that this ceremony has been performed by the RCAF.

Two Colours will be presented, a King's Colour and an RCAF Colour. Both will be carried by a Colour Guard on special ceremonial occasions.

The King's Colour is a square Union Jack edged on three sides by a wide tasselled fringe of red and gold. In the centre of the St. George's Cross are two circles of gold, one within the other, and between them are the words "Royal Canadian Air Force". Within the inner circle is the Royal Cipher in gold. These central devices are surmounted by the Imperial Crown. The staff carries at its head a golden crown on which stands a lion.

The RCAF Colour is a square flag of azure blue, tasselled on the edges in blue and gold. In the centre is embroidered the Air Force badge and in each of the four corners is a gold maple leaf.

INSPECTION BY HIS EXCELLENCY

More than 400 Air Force personnel will take part in the ceremony attending the presentation, including a massed band made up of the Central Band from Ottawa and the Training Command Band from Trenton, an escort squadron of 225, a Colour Party of 10, and boundary guards. The ceremony will feature an inspection of the squadron by His Excellency, presentation of the Colours, and a march past before His Excellency.

The Colours will be retained at Air Force Headquarters for ceremonial occasions within the Ottawa area. Duplicate sets will be presented to Training Command Headquarters, Trenton and to North West Air Command Headquarters, Edmonton. Both the King's Colour and the RCAF Colour will be carried on special ceremonial occasions such as the King's Birthday, Air Force Day and Battle of Britain Sunday. On other ceremonial occasions such as inspections of units by the Chief of the Air Staff or an Air Officer Commanding, the RCAF Colour only will be carried.

The Colours are not flown from a mast as is the RCAF ensign, but are carried by a Colour Guard.

Ultimately the RCAF Colour will bear those battle honours to which the Air Force is entitled. The question of appropriate battle honours is presently under consideration.

68 TOPOGRAPHICAL SURVEY PARTIES: The Department of Mines and Technical Surveys is placing 68 topographical survey parties in the field this year, it was announced on May 30 by the Acting Minister, Mr. Winters. These parties will cover a total of 150,000 square miles of territory in work that will provide base maps for use in the development of Canada's mineral and other resources and for guidance and assistance of engineering projects in various parts of the country. Fifteen of the parties are being provided by the Army Survey Establishment.

Six helicopters will be used by the Department for speedy transportation in mountainous terrain and in other areas difficult of access. Three will be used in Yukon and will be flown there by huge transport aircraft.

The field programme includes further mapping in the important iron region of Quebec-Labrador, completion of the mapping of the Avalon peninsula in Newfoundland, and continuation of mapping in the Notre Dame Bay area in that Province.

A programme of phototopographical reconnaissance mapping will be carried out in mainly unexplored areas of Yukon and northern British Columbia.

Fifteen of the 68 parties will operate in Yukon and Northwest Territories, 15 in British Columbia, 6 in Alberta, 3 in Saskatchewan, 4 in Manitoba, 1 in Ontario, 5 in Quebec, 3 in Quebec-Labrador, 5 in New Brunswick, 6 in Nova Scotia, and 5 in Newfoundland.

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WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on May 11 amounted to 121,742,100 bushels as compared with 124,778,100 a week earlier, and 105,945,300 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces during the week amounted to 3,628,300 bushels, up sharply from last year's corresponding total of 1,604,600 bushels. Cumulative total for the period August 1 - May 11 was 272,311,300 bushels as against 265,990,800 in the similar period of the preceding crop year.

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AIR DEFENCE UNIT: Headquarters Anti-Aircraft Command, Army component of the joint service organization for the command, control and planning of the air defence of Canada, has been established at St. Hubert, Que., the Minister of National Defence, Mr. Claxton, announced on May 27.

The unit, approved last year, is now functioning under command of Lt.-Col. H.E. Brown, OBE, ED, of the Royal Canadian Artillery. It works in close co-operation with Headquarters Air Defence Group, also at St. Hubert, under command of Group Captain W.R. MacBrien, OBE, Royal Canadian Air Force.

PRODUCTION

Canadian production of gold jumped sharply in March, reaching the highest monthly total since October, 1942. Output in the month, at 383,200 fine ounces, was up nine per cent over the preceding month's total of 35,700 fine ounces, and 12 per cent higher than last year's corresponding total of 342,700 fine ounces.

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Output of refined petroleum products in 1949 was 10 per cent higher than in the preceding year, increases being recorded in the year's production of motor gasoline, kerosene and fuel oil. Output of all petroleum products during the year was 89,243,000 barrels as compared with 80,969,000 in 1948.

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Output of tobacco manufacturing industries had a net value -- factory selling values less excise duties and taxes -- of \$107,077,000 in 1948, an increase of 16 per cent over the preceding year's total of \$92,279,000. The gross value -- selling values plus excise duties and taxes -- amounted to \$307,204,000 as compared with \$283,395,000, a rise of eight per cent.

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Production of electric refrigerators rose to an all-time monthly record level in March, amounting to 26,795 units as compared with 15,880 in the same month last year, bringing the total for the first three months of this year to 66,020 units as against 42,530 in the similar period of 1949.

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SEA-FISH LANDINGS DOWN: Landings of sea-fish in Canada in April, excluding Newfoundland, amounted to 30,849,000 pounds, a decrease of 5.6 per cent as compared with the April, 1949 total of 32,696,000 pounds. However, the landed value of the catch -- \$2,129,000 -- was 2.8 per cent above last year's corresponding figure of \$2,071,000.

During the first four months of this year, landings rose to 252,383,000 pounds valued at \$7,817,000 as compared with 224,126,000 pounds at \$7,109,000 in the similar period of 1949, showing gains of 13 per cent in landings and 10 per cent in value.

On the Atlantic coast, the catch in April totalled 26,537,000 pounds, 10.5 per cent lower than the April, 1949 catch of 29,631,000 pounds. Of the major species, cod, pollock, halibut, and clams and quahaugs were landed in greater quantities, but these gains were not sufficient to offset decreases in other species. The total landed value of the catch, however, was fractionally higher, amounting to \$1,895,000 as against \$1,856,000, a more successful halibut fishery being the main contributor to the rise.

Landings on the Pacific coast in April were 40 per cent above a year earlier, totalling

4,312,000 pounds as compared with 3,065,000, and the landed value rose to \$234,000 from \$215,000. Soles and clams recorded the largest increases.

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DELEGATION TO ICAO ASSEMBLY: The Department of External Affairs announced on May 26 the composition of the Canadian delegation to the Fourth Assembly of the International Civil Aviation Organization opening in Montreal on May 30.

Head of Delegation: Mr. Lionel Chevrier, K.C., Minister of Transport. **Delegates:** Mr. C. S. Booth, Permanent Canadian Council Member to ICAO. Mr. R. Vachon, Air Transport Board. **Alternate Delegates:** Mr. S. Graham, Department of Transport; Mr. A.S. Macdonald, Air Transport Board; Mr. J.H. Cleveland, Department of External Affairs.

The International Civil Aviation Organization is a specialized agency of the United Nations and now has a membership of 58 countries. It is expected that the Fourth Assembly will meet for about three weeks.

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SALT FISH MARKETING: Problems arising from the curtailment of overseas markets for salted fish due to currency difficulties were discussed at a meeting in Ottawa on May 25 and 26 between representatives of the salted codfish industry of the Atlantic Coast Provinces and officials of the Department of Fisheries and other government departments.

Courses of action necessary to overcome these currency difficulties were reviewed during the discussion on the present position and outlook for the 1950 fishing season.

Recommendations were made by the industry as to the part the Government might play in overcoming the difficulties and the industry indicated the steps it was prepared to take towards a lessening of its long-term dependence on the export of salted fish. It is expected that when the Government has had an opportunity to study the entire problem as revealed by the discussions, certain measures may be adopted which will bring about a satisfactory solution.

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CARLOADINGS AT NEW PEAK: Carloadings on Canadian railways for the week ending May 20 rose to a new peak for the year at 76,989 cars compared with a revised total of 75,374 cars in the preceding week and 73,550 cars in the same period last year. Eastern division volume climbed from 50,075 cars in the corresponding week last year to 52,081 cars, with grain, coal, ores, other mine products, lumber, gasoline, automobiles and wood pulp and paper leading the advance. Loadings in the western division totalled 24,908 cars as against 23,475 one year earlier. Live stock, coal, ores, building products, and lumber were heavier.

INTERNATIONAL TRADE FAIR UNDER WAY

"FORTY PER CENT BIGGER": The following is the partial text of the leading article in the Canadian International Trade Fair News of Monday, May 29:

"Unlimited possibilities in the field of world trade, combined with stronger efforts to solve the quest for dollars by soft currency countries, is the business theme as the Canadian International Trade Fair gets under way for the third consecutive year at Toronto's Exhibition grounds. With more than 160,000 square feet of floor space being utilized by thirty-four countries to display a broad variety of industrial and consumer goods, the Fair was officially opened this afternoon (May 29) by His Excellency M. Hubert Guérin, Ambassador of France to Canada.

"Already, merely a matter of hours old, this year's Fair shows every indication that it will surpass the two previous ones in scope and effect. The Fair is 40 per cent bigger this year than last. The exhibits, headed by Canada's own large and representative display, includes six new countries--Spain and Germany, Austria, Costa Rica, Paraguay and Guatemala, Newfoundland, Canada's tenth Province, is also making its debut at the Fair.

"This year's Fair presents to businessmen the greatest variety of goods ever exhibited

together in Canada. More than 2,000 individual exhibits have made this possible, while the merchandise, nearly all for sale, runs the gamut from a 23-ton press to lipsticks for milady's purse with pop-up mirrors,

"Confidence in the trade possibilities that await exhibitors over the period of the next two weeks is extremely high. W.J. Morgan, executive secretary of the British Machine tool and Scientific Instrument Group, whose \$2,500,000 worth of exhibits in the Fair's Automotive Building are the spearhead of Britain's drive for a larger share of the capital goods market in relation to Canada's industrial expansion, said he had felt inclined to underestimate the Fair, but now his optimism was unbounded. 'We know it is going to be a good show, and we are assured the right people will see our machines,' said Mr. Morgan.

"Success of the immense British effort is already indicated by the fact that several hundred thousand dollars of the equipment on display were "sold" tags, as the Fair opens. The exhibit comprises more than 250 machines actually under power and in operation, the products of more than 100 firms.

"The number of registered business visitors is expected to total about 50,000, a considerable increase over previous years...."

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FOREST FIRE LOSS \$6,000,000: "During the past year, Canada suffered the greatest forest fire loss in more than a quarter of a century," the Minister of Resources and Development, Mr. Winters, stated in releasing the 1949 forest fire statistics for Canada. Newfoundland figures were included for the first time.

A total of 7,046 forest fires were reported in the ten provinces during the year. The number of man-caused fires in the other provinces, excluding Newfoundland, topped the 1948 total by more than 1,000. This, the Minister pointed out, was an increase of 23% in which each province, as well as the national parks and other federal lands, suffered a higher proportion of fires than the average for the preceding ten years.

"Forest fire prevention measures must be intensified," the Minister emphasized, "if they are to keep pace with the increasing use which Canadians are making of their forests." The most serious fact revealed in the report is that 37% of all fires were caused by careless campers and smokers. Settlers and railways were each responsible for 11%, minor causes, 22% and lightning, 19%.

Over two and one half million acres were burned by these fires in 1949. This is an increase of nearly 40% over the previous ten-year average. In damage to timber, young forest growth and other property, it represents a financial loss of nearly \$6,000,000 based on

prevailing stumpage rates. No reliable estimate can be made of the additional losses incurred by the wood-using industries nor of the damage to wildlife, soil and recreational facilities which cannot be evaluated in terms of dollars and cents.

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1949 WAGE INDEX 205.1: The Minister of Labour, Mr. Mitchell, on May 31, released the preliminary index of wage rates for 1949, calculated by the Economics and Research Branch of the Department of Labour.

The general average index was 205.1 for 1949, compared with 195.8 for 1948, an increase of 4.7 per cent.

Increases over 1948 in the main industrial divisions ranged from 6.4 per cent in Manufacturing and Service (Laundries) to 0.9 per cent in Transportation and Communication.

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CONFERENCE OF UNIVERSITIES: The Prime Minister, Mr. St. Laurent, will pay an official visit to Kingston on June 3. He will spend part of the morning at the National Defence College, Fort Frontenac, and the early afternoon at the Royal Military College where he is to meet delegates to the national conference of Canadian universities. Mr. St. Laurent will be accompanied by the Minister of National Defence, Mr. Claxton.

(Continued from P.1)

SEEDING ON PRAIRIES

face moisture conditions are fair to good, although sub-soil reserves are low. Seeding has made excellent progress except in the south-east and small areas of the north. Pasture growth has been rapid in the past week and the feed situation has improved materially.

In Alberta, with the exception of the Peace River area and the extreme southwest, dry conditions are reported and general rains are needed now. Spring rainfall has averaged 35 per cent below normal and sub-soil reserves are quite low. Soil drifting has been reported from many areas. Weather in the past week was cool and growth slow. Wheat seeding is nearly completed with the proportion of coarse grain crops seeded varying from 40 to 90 per cent.

Apart from northern districts, spring seeding has been nearly completed in Ontario. Spring grains have germinated well and the outlook is fairly good, although warmer weather and moisture are needed. Fall wheat prospects vary from fair to very good. Tobacco planting operations, under favourable conditions, have been general during the past week. Soybean and corn planting is getting under way and a good start has been made in setting out tomatoes. Cool, dry weather has retarded hay and pasture crop growth and serious winter-killing has occurred, particularly in new seedings. Consequently, there will be a considerably increased acreage devoted to fodder corn, grain corn, soybeans and supplementary hay and pasture crops.

The season is late in Quebec but very warm weather during the past week has permitted rapid seeding. Pastures and meadows in most parts of the Province suffered heavily from winterkilling and in many areas a poor hay crop is anticipated. Orchard conditions generally are considered to be about normal. Cattle are just now being turned out to grass as pastures have been poor and in some districts live stock are still being stable fed.

The season in British Columbia continues to be backward and growth is about 10 days later than last year. Seeding is completed in southern areas and is well under way in northern sections. Growth, however, continues to be slow. A slight decrease in the strawberry crop is looked for, while raspberry production is expected to be somewhat heavier than in 1949. Reports from the Okanagan Valley indicate a heavy loss of cherry and apricot trees due to winterkilling. Peach trees also have been heavily damaged but many are recovering. The apple orchards, however, do not appear to have suffered to any great extent and a good crop is anticipated.

The weather throughout the Maritimes has been unusually dry during most of May. Seeding and planting operations are well under way in Prince Edward Island and New Brunswick, while in Nova Scotia work in the fields is nearing completion. An increase in grain acreage is

looked for in all three provinces, while a decrease in potato acreage is expected in Nova Scotia and New Brunswick. The orchards in Nova Scotia are now in bloom and present indications are that the apple crop will be large.

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EMPLOYMENT IMPROVES: Employment in the major non-agricultural industries showed moderate improvement at the beginning of April, reversing the downward trend since the first of October, according to preliminary tabulations by the Bureau of Statistics. The rise in employment was accompanied by a further advance, to a new peak, in average weekly salaries and wages.

The general index number of employment, on the 1926 base as 100, stood at 187.6, up 0.6 per cent over the March 1 index of 186.5, but unchanged from April 1, 1949. Aggregate weekly salaries and wages moved up 0.9 per cent from March 1 and 2.7 per cent over April 1 last year, while average weekly earnings rose to \$44.88 from \$44.74 at March 1, and \$43.35 a year ago.

Increased industrial activity, as compared with a month earlier, was reported in all provinces except Ontario and Manitoba, the former showing a small loss, while practically no change was registered in the latter. The increases in employment in the other provinces varied from 0.4 per cent in Quebec and 0.5 per cent in New Brunswick, to 3.8 per cent in British Columbia and 4.4 per cent in Prince Edward Island.

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TUBERCULOSIS INSTITUTIONS REPORT: There was a decrease of two per cent in the number of tuberculous patients admitted to sanatoria and other hospitals which had facilities for their care and treatment in 1947 as compared with 1946, according to the annual report on tuberculosis institutions released by the Bureau of Statistics.

The decline in 1947 follows an increase of 19 per cent in 1946 over the preceding year in the tuberculous admissions. The decrease in 1947 may have resulted from the wider use of X-ray, mass surveys, and clinic examinations which revealed the presence of the disease before it had reached the point where hospital care became imperative.

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COMMERCIAL FAILURES UP: Commercial failures under the provisions of the Bankruptcy and Winding Up Acts showed a further marked increase in number and defaulted liabilities in the first quarter of 1950. The total number of failures rose to 382 from 270 a year earlier, and the defaulted liabilities increased to \$6,307,156 from \$4,195,655.

ADDRESS BY HON. LIAQUAT ALI KHAN: The Prime Minister of Pakistan, the Honourable Liaquat Ali Khan, addressed a joint session of the House of Commons and Senate on May 31. Introduced by the Prime Minister of Canada, Mr. St. Laurent, Mr. Liaquat Ali spoke, in part, as follows:

"...To what use do the Muslims who form the majority of the people of Pakistan propose to put their freedom? This is a question which we as a nation have pointedly asked ourselves and to which we have a clear and unhesitating answer.

"First, we are determined that the Muslims in our State shall be enabled to order their lives in accordance with their faith, that at the same time our minorities shall enjoy full rights of citizenship and shall freely profess and practise their religions and develop their cultures, and that their legitimate interests and the interests of the backward and depressed classes shall be adequately safeguarded.

"Second, we are pledged to the principles of democracy, freedom, equality, tolerance and social justice as enunciated by Islam. This does not mean theocracy; for Islam does not believe either in priesthood or in the caste system. On the contrary our conception of democracy is possibly even more comprehensive than that which is contained in the institutions of universal franchise and majority rule. For it embraces social and economic justice, the right of private ownership, of each individual to enjoy the fruit of his honest labour--and yet with laws and institutions designed to eliminate destitution and to place healthy checks on vast accumulations of unearned wealth.

"All this we call the Islamic way of life and pursue it because as Muslims we could not follow any other ideology or seek guidance from any other source but God, whose injunctions we believe these to be. To abandon these principles would be for us to destroy, instead of create, what we hope to build up and for which we demanded independence and freedom and a separate state.

"Third, we are resolved to safeguard our freedom at all costs, whatever the threat and whatever the quarter from which aggression may face us. For our own part we have no aggressive designs and consider it our moral responsibility to pursue the path of peace and to help in the maintenance of peace and stability everywhere, particularly in the uneasy continent of Asia, on whose future, according to our way of thinking, world peace very largely depends. Nowhere in Asia are the circumstances for the development of the democratic idea more naturally favourable than they are in Pakistan; for nowhere are people more unified and more determined to apply their moral concepts of equality and social and economic justice to promote human welfare and to resist any attempt to tamper with their beliefs. But democracy, in Pakistan or elsewhere, is of

little use to the common man unless its advantages are made available to him in his daily life and his standard of living is raised at least to a level which gives him a substantial stake in the way of life which he has chosen for himself...."

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TRAVEL AGREEMENT WITH ITALY: The Department of External Affairs announced on June 1 that Canada and Italy have concluded an agreement modifying their visa requirements for temporary visitors.

Beginning June 1 Canadian citizens who are bona fide non-immigrants (visitors, not seeking employment or permanent residence) and who are in possession of valid Canadian passports may, without previously obtaining an Italian visa, visit Italy for periods each not exceeding three consecutive months. This modification of entrance requirements does not, however, apply to Canadians who want to enter the trust territory of Somaliland under Italian administration.

Italian citizens, who are bona fide non-immigrants coming to Canada and who are in possession of valid Italian passports will receive, from the Canadian Embassy in Rome, visas free of charge, valid for an unlimited number of entries to Canada during a period of twelve months from the date of issue of such visas.

This agreement in no way exempts Canadian or Italian citizens from the necessity of complying with the immigration and residence regulations of Italy and Canada. In this connection it should be noted that Canadian citizens who visit Italy for the full period of three months without visas may only re-enter Italy without visas after they have been outside that country for one month unless they obtain a waiver of this restriction from the Italian authorities.

During the last year, Canada has concluded similar agreements or arrangements with Switzerland, Liechtenstein, Sweden, Denmark, Belgium, Luxembourg, the Netherlands, Norway and France.

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NATIONAL NOTES

The R.C.M.P. supply ship St. Roch arrived in Halifax on May 29, the first ship in history to sail around North America. Aboard was Sgt. Frederick Farrar, mate, the only crew-member to have made the entire circuit.

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A special committee of the Canadian Manufacturers' Association is to be set up at once to study combines and anti-trust laws and make recommendations to the Government. The project was approved last week-end at the Annual General Meeting of the C.M.A. in Toronto.



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WEEK'S EVENTS IN REVIEW

CANADA, U.S., AND O.E.E.C.: The Prime Minister, Mr. St. Laurent, on May 18, read to the House of Commons the full text of the announcement made in London, with which the Secretary of State for External Affairs, Mr. Pearson, was associated, on the proposed informal association of Canada and the United States with the Organization for European Economic Co-operation. The statement read:

"During their talks last week, the Foreign Ministers of France, the United Kingdom and the United States considered how the countries of Western Europe and North America might improve their co-operation on economic problems which require adjustments by them in the period immediately ahead. The emphasis in their discussions was on the positive courses of action which need to be taken.

"The Secretary of State of the United States emphasized the great value of the existing relationship between the organization for European economic co-operation and the United States and believed that it would be helpful to broaden this relationship to provide for regular discussion and consideration of the problems requiring co-operative action in the coming period. He pointed out that, while the European Recovery Programme terminates in 1952, the interest of the United States in Europe will necessarily continue and that study of the problems is now going forward actively in the United States on the highest Governmental

level. During conversations this week, the Canadian Secretary of State for External Affairs has indicated a similar interest on the part of his country to participate in the study of these problems. The four Ministers believe that this relationship would permit a close co-ordination of the work now going forward in the United States and Canada on these problems with the parallel efforts of the OEEC.

"The Foreign Ministers of France and the United Kingdom, after consultation with the Chairman of the OEEC, stated their hope that the OEEC would invite Canada and the United States to establish, on an informal basis, a working relationship with the OEEC whereby the two countries could join with the OEEC in the discussion and consideration of the action to be taken on these problems.

"It was agreed that the proposed working relationship between Canada, the United States, and the OEEC would not interfere with the present functions of the OEEC as an organization devoted primarily to European economic problems as provided in the Convention for European Economic Co-operation.

"The four Ministers were in agreement that the economic and financial problems arising from the defence effort fell primarily within the competence of the North Atlantic Treaty Organization. They recognized also the concern of the North Atlantic Treaty with broader

\$60,000,000 FOR NEW SHIPS: "Present plans call for an expenditure of approximately \$60,000,000 on new ships for government account, during the next five years", declared the Minister of Transport, Mr. Chevrier, in addressing the annual meeting of directors and members of the Canadian Shipbuilding and Ship-repairing Association in Ottawa on May 17. The Minister said that this figure included "the present naval shipbuilding programme which amounts to approximately \$34,000,000." He added that, apart from naval expenditure, the remainder of the money will be spent in necessary government replacements which had to be postponed during the war years.

The Minister thought that the Government could take credit for "having saved the ship-owning business in Canada" by its replacement plan and its policy of transfer and subsidy. He pointed out that 44 vessels of various types had already been sold at a gross price of over \$26,000,000 which had been placed in escrow. Other vessels were to be transferred to the United Kingdom flag, although still remaining the property of Canadian owners, who would thus be able to participate in the sterling freight market.

He said that financial arrangements in respect of the transfer of Canadian-owned vessels to United Kingdom registry were advantageous to both Canada and the United Kingdom.

Mr. Chevrier added that about 40 ocean-going ships would be able to operate under Canadian flag this year by means of government assistance and that he was confident that a number of other Canadian flag vessels will find the means of continuing in operation in spite of the present depressed freight market.

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CONFERENCE POSTPONED: A. MacNamara, Deputy Minister of Labour, announced on May 17 that the Federal-Provincial Conference on Rehabilitation of the Handicapped, of which he was to be General Chairman, scheduled to be held on May 25-27 in Ottawa had been postponed due to the Manitoba flood upon the suggestion of the Premier of Saskatchewan and after consultation with the Health authorities of Manitoba and Alberta.

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LT.-GEN. FOULKES TO ENGLAND: Lt.-Gen. Charles Foulkes, C.B., CBE, DSO, Chief of the General Staff, will attend the fifth of the post-war "Annual Conferences and Tactical Studies for the Army" at the Staff College, Camberley, England, next week, Army Headquarters announced on May 18. He left from Montreal on May 18 by Trans-Canada Air Lines.

The conference will be presided over by Field Marshal Sir William Slim, Chief of the Imperial General Staff, and will be attended by General Officers of the British Army from both Home and Overseas Commands, and officers of the Royal Navy and Royal Air Force. Chiefs of staff will also be present from the Common-

wealth countries, the Western Union countries, and the Western Europe Commanders-in-Chief Organization. The exercise, called "Horatius", will study the phase of warfare dealing with defence.

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REFUNDING LOAN OVER-SUBSCRIBED: The Minister of Finance, Mr. Abbott, announced on May 18 that the books of the new 1950 Refunding Loan for \$745 millions were closed at 9:01 A.M., E.D.T. on that day. He said that as of this time the Loan had been heavily over-subscribed.

At the same time he announced that the issue had been allotted as follows: \$350 millions in 2 $\frac{3}{4}$ % 18-year bonds and \$395 millions in 2% 4 $\frac{1}{2}$ -year bonds.

Mr. Abbott expressed the gratification of the Government that investors had responded so eagerly to the offering and said that this response was substantial evidence of confidence in the future of the country.

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RETAIL SALES UP 7 PER CENT: Canada's retail trade in March showed an increase of seven per cent over the corresponding month last year. In January, sales rose two per cent, in February by nine per cent, and the gain for the first quarter of the year was about six per cent.

The sustained high volume of new motor vehicle sales played a major part in the March increase, dealers' sales being up 51 per cent over March last year. Coal and wood dealers reported a sales advance of 26 per cent, garages and filling stations 17 per cent, appliance and radio dealers 10 per cent, and food stores seven per cent. Food store sales increased mainly on the strength of a 16 per cent gain for chain stores, independent food merchants reporting a sales advance of three per cent.

Although the traditional Easter stimulus to retail business occurred earlier this year than last, all four of the apparel trades reported decreases in March, ranging from two per cent for shoe stores to 17 per cent for men's clothing stores. Department store sales decreased three per cent, and jewellery store sales by 11 per cent.

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INDUSTRIAL EMPLOYMENT LOWER: Industrial employment in Canada at the beginning of March was at a slightly lower level than at February 1, according to data received by the Bureau of Statistics from 21,094 leading firms in the eight major non-agricultural divisions. The movement has been downward at March 1 in eight earlier years since 1939, and the loss this year approximated the average in that period. There were declines in all provinces except British Columbia.

The index number of employment, on the 1926 base as 100, fell to 186.6 at March 1 from

187.2 at the first of February and the maximum March 1 figure of 188.9 recorded in both 1948 and 1949. This year's March 1 index exceeded by 2.7 per cent the wartime peak index for March 1 recorded in 1944.

In spite of the small recession in industrial employment generally indicated at March 1 as compared with a month earlier, there was an increase of 1.3 per cent in the latest index number of weekly payrolls, which was 2.1 per cent above March 1, 1949, previously the top figure for the late winter in the record of nearly 10 years. The per capita earnings, at \$44.69, reached a new all-time maximum, exceeding the February 1 average by 1.6 per cent, and last year's March 1 index by 3.3 per cent.

On the whole there was an increase in employment in manufacturing, and mining was generally more active. The trend in logging, transportation, communications, construction, hotels and restaurants and trade was downward.

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SUPPLEMENTARY UNEMPLOYMENT INSURANCE: The Minister of Labour, Mr. Mitchell, on May 18, released detailed figures on the first month of operation of the supplementary unemployment insurance benefit program.

This year, supplementary benefits were in effect from February 28 to April 15, and the figures, therefore, cover the month of March. In future years, supplementary benefits will be in effect from January 1 to March 31.

During March, 93,000 persons filed claims for supplementary benefit, and benefit payments were begun on 35,000 of these claims. About 48 per cent of the claims were filed in Quebec.

About \$895,000 was paid out in benefits during the month, with the payments averaging \$1.89 a day. During the same month, regular insurance benefits averaged \$2.44 a day. The daily rate for supplementary benefit is set at about 80 per cent of the rate for regular benefits.

About one in nine of the claimants for supplementary benefits was a woman. Women generally account for about one in five of the claimants for ordinary insurance benefits.

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AIR ATTACHÉ TO SWEDEN. FINLAND: The appointment of Group Captain H.H.C. Rutledge, OBE, of Wawanesa, Man., and Ottawa, as Air Attaché to Sweden and Finland, was announced on May 19 by Air Force Headquarters. He will replace G/O H.G. Richards, OBE, who returns to Canada to command RCAF Station Summerside, P.E.I., center of the RCAF's navigation training. The change will take place June 1.

A staff officer at Air Force Headquarters in Ottawa and overseas during the war, G/C Rutledge was recently graduated from the Imperial Defence College in the United Kingdom. In 1946 he commanded RCAF Station Trenton, Ont.

NEW ICAO MEMBERS: Iran and the Republic of the United States of Indonesia have become members of the International Civil Aviation Organization, according to an announcement from ICAO headquarters. Iran's membership was effective May 19, and Indonesia's on May 27.

The International Civil Aviation Organization is charged with responsibility for the orderly and equitable development of international civil aviation, and seeks to bring about a world-wide pattern of co-operation in the technical, economic and legal fields of international flying. Including the two new member states, ICAO's membership consists of 58 nations.

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U.S. FORCES. "A GREAT TEAM": The Minister of National Defence, Mr. Claxton, on May 20, referred to the U.S. Armed Services as "a great team" in a message to Defence Secretary Louis Johnson "on this first United States Armed Forces Day." This day replaces the days formerly observed individually by the U.S. Navy, Army and Air Force.

The text of Mr. Claxton's message:

"On this the first United States Armed Forces Day I should like to pay a tribute on behalf of the Canadian Forces to the United States Armed Forces.

"From what I was privileged to see of them at Fort Benning and Elgin Field, as well as on previous visits, they are a great team.

"The close working relations your forces and ours had at Exercise "Sweetbriar" (In Yukon and Alaska last February) and everywhere else since the war have continued their wartime partnership for victory into the peace which we are working together to preserve."

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WEEKLY WAGE PEAK: Average weekly wages paid to hourly-rated wage-earners employed by leading Canadian manufacturing establishments reached a new peak figure of \$43.10 during the week ending March 1. This was 42 cents above the February 1 average of \$42.68, and \$1.13 higher than the March 1, 1949 figure of \$41.97.

Hourly earnings at March 1 averaged 101.4 cents as compared with 100.9 at February 1 and 97.6 cents a year earlier. The average number of hours worked during the week ending March 1 was 42.5 as against 42.3 in the week of February 1 and 43.0 a year ago.

Weekly wages in durable manufactured goods moved up to an average of \$46.77 from \$46.21 at February 1 and \$45.49 at March 1, 1949, while in non-durable manufactured goods the average rose to \$39.57 from \$39.26 at February 1 and \$38.26 last year. The work-week in durable goods was 42.6 hours compared with 42.2 at February 1 and 43.2 at March 1 last year, and in non-durable goods was 42.5 hours compared with 42.4 hours at February 1 and 42.7 at March 1, 1949.

EMPLOYMENT PICTURE MUCH IMPROVED

DECLINE IN REGISTERED JOBLESS: Recent weeks have shown a rapid movement in the employment situation as large scale spring hiring in construction, agriculture and transportation got under way. This improvement is reflected in a sharp decline in the number of persons seeking work through the National Employment Service. During the two-week period ending May 4, the number of registrants dropped from 424,300 to 387,600, a decline of 36,700. The May 4 figure was 47,100 below the April 6 peak of 434,700; the Minister of Labour, Mr. Mitchell announced on May 19.

With the improvement in the employment situation now under way in almost all sections of the country, there will be, in the coming weeks, a continuing rapid fall-off in the number of persons registered for work at employment offices. Work has started on farms and on many construction projects where it had been delayed by the cold weather in eastern Canada in the earlier part of April. The beginning of the fishing season on the Atlantic coast means employment for many workers in Newfoundland and the Maritime Provinces. Employment is also increasing in the service industries as preparations are being made for the expected heavy influx of tourists, the statement continued.

Manufacturing industries such as sawmills and pulp and paper plants are hiring more workers as the seasonal increase in production begins. The automobile and primary iron and steel industries, and most plants producing electrical apparatus and household furniture continue to operate close to capacity. In a few industries such as railroad equipment and leather goods, short-time work persists, but the number of layoffs in these industries has

decreased in the past month.

From now on, employment in Canada will show substantial increases until the annual peak is reached in the late summer and early fall. Total civilian employment of 4,796,000 during the first week of March is expected to exceed by late summer the 1949 peak of 5,255,000 for the same time. Despite an anticipated slightly higher level of employment for the year as compared with 1949, there may be some areas where the unemployment situation may be a matter of concern.

With due allowance for frictional unemployment such as that caused by workers moving from job to job, the economy, during the next six months, will be called upon to absorb the major portion of some 80,000 net increase in the labour force this year, persons seasonally displaced during the past winter and the usual seasonal entrants to the labour force such as students. The extent to which the economy will be able to absorb all these workers depends upon the levels of investment, consumer expenditures and exports.

The continuing heavy investment program, particularly in housing and utilities, means that employment prospects in the construction and related industries are excellent. Expected high levels of consumer expenditures will maintain a high degree of buoyancy in consumer goods, service and distributive industries. The pattern of exports established during the first quarter of the year indicates that the decline in value of sales to overseas markets has been almost completely offset by the increase in shipments to the United States. This reorientation of foreign markets, however, will continue to cause re-adjustments in the domestic economy.

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WHOLESALE SALES ADVANCE: Dollar volume of wholesale sales in March this year advanced 20 per cent over February and was four per cent above the same month last year, according to reports received by the Bureau of Statistics from wholesalers representing nine lines of trade. Sales in the first quarter of this year were practically unchanged from a year earlier.

The general unadjusted index, on the base, average for 1935-39=100, stood at 294.2 as compared with 244.6 in February, and 283.4 in March last year. Increases over March, 1949 were registered for all provinces and ranged from one per cent for Quebec to six per cent for British Columbia.

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HISTORIC SITES BOARD MEMBER: The appointment of Alfred G. Bailey, Dean of Arts and Head of the Department of History at the University of New Brunswick, Fredericton, as a member of the Historic Sites and Monuments Board of Canada was announced on May 18 by the Minister of Resources and Development, Mr. Winters.

CARLOADINGS: Cars of revenue freight loaded at Canadian points during the week ending May 13 totalled 75,343 cars, up from 73,928 cars in the preceding week, and 1,239 cars or 1.7 per cent above the same week last year. Volume for the Eastern division climbed from 50,352 cars to 52,016 cars, but fell in the western division from 23,752 cars to 23,327 cars.

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FUNDY NATIONAL PARK OPENING: The Minister of Resources and Development, Mr. Winters, has announced that the official opening of Fundy National Park, New Brunswick, will be held on Saturday, July 29, with appropriate ceremonies. It is situated on the Bay of Fundy between the Goose and Upper Salmon Rivers and contains an area of approximately 80 square miles. By provincial highway the Park is 54 miles south west of Moncton and 83 miles north east of St. John. The name of the park was selected following an essay competition held throughout New Brunswick's schools.

CANADA, U.S., AND O.E.E.C.

questions of economic relations among the signatory countries and welcomed the decision of the Council to have the deputies consider what further action should be taken under Article 2 of the Treaty.

The four Ministers were further agreed that it was their hope, through a new working relationship, to proceed promptly toward finding solutions of the general economic problems which lie immediately ahead along lines which would eliminate conflict in their international economic policies. They recognize that Canada, the United States and the Western European countries have a continuing interest in developing and strengthening economic collaboration between them in order that they can make together their full contribution to the building of a peaceful and prosperous world order. They further recognize that the development and strengthening of the economic ties of this community of nations may in the future require formal organizational expression, but they believe it is unnecessary at this time to attempt to suggest precisely what form of arrangement will prove to be best suited to assist the taking of common action by the community.

The Prime Minister commented as follows:

"The Canadian Government welcomes this statement. If the Organization for European Economic Co-operation invites us to establish an informal working relationship with them we shall be glad to accept.

WORK OF ORGANIZATION

"It may be helpful to Members of the House if I say a few words about the OEEC. This Organization was set up after General Marshall's famous speech of June 5, 1947. In that speech he called on the European countries to draw together. Sixteen countries, including the United Kingdom and Ireland and almost all the Continental countries free from Russian domination, responded. As their organization developed, much of its work related to Marshall aid; the members considered together their needs for special assistance and presented programmes and reports to the Economic Co-operation Administration, headed by Mr. Paul Hoffman, in Washington. But the OEEC was never intended merely as a channel to facilitate the provision of Marshall aid. Its purposes were wider and longer than that. It was designed, as its name indicates, to promote co-operation among European countries in all matters of common economic interest and on a permanent basis. It has already reduced many of the trade restrictions between European countries. It has fostered trade by means of currency arrangements designed to make strict bilateral balance and barter unnecessary as between members. In these and other ways it is strengthening Europe economically and therefore politically.

"This, then is the organization with which we may be invited to associate. The European organization might thus be extended to establish an informal relationship with Canada and the United States in the discussion and consideration of economic problems of common interest. Thus it may become an organization for North-American Western-European co-operation.

"I am sure the House will be pleased to know that at the same time as such arrangements for informal economic co-operation in the immediate future are going forward the Deputies to the North Atlantic Council are to consider further the question of longer-term collaboration under Article 2 of the Treaty.

"In conclusion I should perhaps stress that our new association would be informal. It would involve a recognition that the economic problems faced by OEEC countries, the United States and ourselves are common problems not isolated individual problems. In the last analysis solutions must depend on action by individual countries, but they should be sought and discussed jointly around a common table."

The Progressive Conservative Leader, Mr. Drew, and the C.C.F. Leader, Mr. Coldwell, both spoke in approval of the announcement.

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PRODUCTION

All-Canada output of crude petroleum and natural gasoline in February this year amounted to 1,954,634 barrels as compared with 1,926,867 in the preceding month and 1,443,006 in February, 1949. During the first two months of this year, 3,881,501 barrels were produced, a rise of 38 per cent over last year's corresponding total of 2,799,489 barrels.

Alberta accounted for 1,847,107 barrels in February as compared with 1,352,129 a year earlier. Leduc's output increased to 845,993 barrels from 735,149 in February last year, Redwater to 547,783 barrels from 184,253, and Lloydminster to 61,060 barrels from 41,386. Crude output from Turner Valley declined to 285,566 barrels from 299,091.

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Gross value of products turned out by the rubber industry of Canada in 1948 amounted to \$194,112,000, showing a slight decline from the all-time high of \$196,308,000 reached in the preceding year.

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The all-Canada output of coal in April increased to 1,308,500 tons from 1,228,782 in April last year while imports in April advanced to 2,247,941 tons from 2,008,505 a year earlier.

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Sales of new farm implements and equipment - mainly at the wholesale level - reached an all time peak value of \$220,710,000 in 1949.

VISIT OF THE PRIME MINISTER OF PAKISTAN:

The Department of External Affairs has issued the following information concerning the programme for the visit to Canada of the Honourable Liaquat Ali Khan, Prime Minister of Pakistan, and Begum Liaquat Ali Khan.

The Prime Minister of Pakistan and Begum Liaquat Ali Khan, who are at present visiting the United States, will arrive in Ottawa from Boston on Tuesday, May 30, and will spend the following two days in the Capital. They will leave on the morning of Friday, June 2, for Niagara Falls, Ontario, with brief visits to Kingston and Toronto en route; and, after spending the night and the morning of Saturday, June 3, at Niagara Falls, will proceed to Buffalo Airport that afternoon and thence, in a Canadian aircraft, to New York City.

The Honourable Liaquat Ali Khan and Begum Liaquat Ali Khan will be accompanied on their tour by: Mr. M. Ikramullah, Secretary, Ministry of Foreign Affairs and Commonwealth Relations; Mr. O. Ahmad, Officer on Special Duty in the Cabinet Secretariat; Professor A.S. Bokhari; Mr. A.A. Hamid, Private Secretary to the Prime Minister; Mr. Majid Malik, Principal Information Officer; Captain Babar, Aide-de-Camp to the Prime Minister.

ARRIVAL AT ROCKCLIFFE

On his arrival at Rockcliffe Airport at 11 a.m. on Tuesday, May 30, the Honourable Liaquat Ali Khan will be welcomed by the Prime Minister of Canada. The sons of the High Commissioner for Pakistan will garland the Prime Minister and present flowers to the Begum. A guard of honour will give a General Salute and an artillery salute of nineteen guns will be fired. The High Commissioner for Pakistan, the Secretary to the Governor General, the members of the Canadian Cabinet, the Mayor of Ottawa, and their wives, will then be presented.

The Prime Minister of Pakistan and the Begum and the members of their party will stay at Government House as guests of Their Excellencies the Governor General and the Viscountess Alexander of Tunis.

At 12 noon on Tuesday, the Prime Minister of Pakistan will arrive at the East Block to call on the Prime Minister of Canada. At 12.30 p.m., he will lay a wreath at the National War Memorial where Mr. Claxton, Minister of National Defence, and Mr. Gregg, Minister of Veterans Affairs, will meet him on arrival.

Following an informal luncheon at Government House, the Prime Minister of Pakistan and Begum Liaquat Ali Khan will hold a press conference at 4 p.m. in the drawing room of the Chateau Laurier Hotel. A dinner will be given in their honour by Their Excellencies the Governor General and the Viscountess Alexander at Rideau Hall on Tuesday evening.

On Wednesday morning, May 31, the Prime Minister of Pakistan will meet Mr. St. Laurent and members of the Cabinet to discuss matters of mutual interest. At 12.15 p.m., he will

visit the Office of the High Commissioner for Pakistan.

A luncheon will be given by the High Commissioner for Pakistan and Mrs. Mohammed Ali at their residence, 190 Coltrin Road, on Wednesday.

On Wednesday afternoon, the Honourable Liaquat Ali Khan will address the members of both Houses of Parliament in the House of Commons Chamber.

There will be a reception by the High Commissioner for Pakistan and Mrs. Mohammed Ali at their residence on Wednesday afternoon and a dinner by the Prime Minister of Canada and Mrs. St. Laurent at the Country Club in the evening.

On Thursday, June 1, the Prime Minister of Pakistan and Begum Liaquat Ali Khan will leave Government House and will be the guests of the High Commissioner and Mrs. Mohammed Ali at their residence for the remainder of their stay.

The Prime Minister of Pakistan will address the Canadian Club of Ottawa at luncheon on Thursday.

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PROCUREMENT OF MILITARY EQUIPMENT: The following announcement of procurement of military equipment by the United States in Canada was made in the House of Commons on May 19 by the Minister of National Defence, Mr. Claxton:

"Hon. Members will have seen press reports regarding the procurement by the United States of military equipment in Canada.

"I am glad to be able to inform the House that it has been announced officially in Washington that the United States service departments and Munitions Board have been requested by the Secretary of Defence to develop a program for the purchase in Canada, during the year beginning next July 1, on a reciprocal basis, of military equipment to the value of between fifteen and twenty-five million dollars.

"This announcement marks a major step in the integration of military production in the two countries. It is an extension into the peacetime period of the principles of the Hyde Park declaration of 1941, which proved so effective during wartime.

"This announcement comes as a result of negotiations which I initiated with the late James Forrestal but which were carried through by Hon. Louis Johnson, Secretary of Defence, following a recommendation by the Permanent Joint Board on Defence. It is something for which we have all been working for some time.

"It is still too early to indicate what this may mean in terms of specific items, but I can say with assurance that the benefits that may be realized under this arrangement will contribute not only to the defence potential of both countries and consequently the defence of our continent, but also to the overall defence arrangements under the North Atlantic treaty."

LABOUR DEPT. REVIEW: Current activities of the federal Department of Labour, fifty years old this year, were described by Arthur MacNamara, Deputy Minister of Labour, to the Senate Finance and Labour Committee considering Departmental estimates on May 19.

Some of the more interesting facts revealed by Mr. MacNamara are as follows:

Total man-days lost through strikes and lockouts during the period 1901 to 1949 totalled 39,000,000. Although Canada today enjoyed better employer-employee relations than many countries, there was still an average of 800,000 man-days lost each year, which probably represented a wage loss of \$6,000,000 each year. Time loss in 1949 was the lowest of any year since the end of the war.

During the fiscal year to date, it had been necessary to appoint 10 Boards of Conciliation and Investigation in industrial disputes. (Boards are appointed only after other conciliation steps have failed to bring settlement to industrial disputes.) At the present time, two boards were endeavouring to conciliate the very important disputes involving practically all Canadian railway workers outside the running trades. About 125,000 men were involved.

SCHEDULES OF FAIR WAGES

During the first 11 months of last fiscal year 1,603 schedules of Fair Wages were issued by the Department. If a Department is entering into a contract for construction, it gets a Schedule of Fair Wages from the Department of Labour which is the result of investigation of all classifications of labour involved in the work.

The Department maintained a selection staff in Germany to work with immigration officials there in choosing Displaced Persons for immigration to Canada. From when the movement first began to date, 43,000 workers had been brought to Canada -- 10,400 for domestic service; 13,289 for farms; 19,000 for heavy labour; and 300 for nursing, internship and professional service.

Since April 1, 1937, more than 1,000,000 men and women had been given vocational training in Canada.

Under the Labour-Management Co-operation Service it had been possible to build up enough interest in Labour-Management Co-operation to bring 615 committees into operation in a variety of industries involving 275,000 workers.

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MANUFACTURING INVENTORIES: The value of inventories held by Canadian manufacturing establishments at the end of March was slightly above the February level but below March last year, according to index numbers compiled by the Bureau of Statistics. The March index, on the base 1947=100, was 126.8 as compared with 125.4 in February and 133.7 in March, 1949.

The consumers' goods industries index --

the largest component of the all-industries total ... increased five points during the month to reach 132.5, but was practically unchanged from a year earlier. In the capital goods industries, the index fell to 92.2, eight points below the February level and was 26 points lower than in March, 1949.

Inventories in the producers' goods industries dropped to an index level of 124.8, down four points from February and 10 points from March last year. In the construction goods industries, the March index stood at 153.1, five points above February, but 16 points below March, 1949.

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NATIONAL NOTES

Quebec Province Liberals, on May 20, chose as their new party leader a 43-year-old Member of Parliament, Georges Emile Lapalme, who represents Joliette-Montcalm-L'Assomption.

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Henry Pope Duchemin, 81, Publisher of the Sydney, N.S. Post-Record, and a former President of the Canadian Press, died in Halifax on May 21.

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A row of seats was removed from the public gallery of the House of Commons on May 22 to allow attendance, in wheel chairs, of a delegation from the Canadian Association of Incurables, in Ottawa to press for pensions for the nation's incurables.

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Time loss due to work stoppages arising from industrial disputes in Canada during April, 1950, was the lowest recorded this year, according to the monthly summary of strikes and lockouts for April.

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Premier Duplessis, of Quebec, was reported as telling newspaper men at his press conference this week that there were "deposits of millions of tons of copper in the Gaspé Peninsula" but that before exploitation could begin the Government would have to build a road and develop hydro power in the area.

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BORDER VEHICLE TRAFFIC: Foreign vehicles entering Canada on traveller's vehicle permits in April totalled 87,077, an advance of 4.3 per cent over last year's April figure of 83,510. Increased entries were recorded in all provinces except Manitoba and Ontario, the decline in the former being due to the severe floods. Entries into Nova Scotia remained unchanged, while a decrease was shown for the Yukon Territory. During the first four months of this year, a total of 209,979 vehicles entered Canada, a rise of six per cent over the 198,086 recorded in the similar period of 1949.

SECURITY TRANSACTIONS: Sales and purchases of securities between Canada and other countries in March reached a total of \$54,400,000, the highest monthly figure since June last year. In February, sales and purchases aggregated \$35,900,000, and in March last year totalled \$28,400,000. Both sales and purchases showed marked increases during the month, the former advancing to \$29,300,000 from \$17,600,000 in February and \$14,600,000 last year, and the latter to \$25,100,000 from \$18,300,000 in February and \$13,800,000 a year earlier.

The rise in security transactions in March was accounted for chiefly by increases in sales and purchases with the United States, sales amounting to \$28,200,000 and purchases \$22,600,000, resulting in a sales balance of \$5,600,000. Although Canadian stocks and bonds chiefly contributed toward the large volume, most of the sales balance arose from repurchases of United States stocks by United States investors.

Security transactions with the United Kingdom declined in volume, sales amounting to \$500,000 and purchases \$2,100,000. March transactions provided a purchase balance of \$1,600,000, comparable to the purchase balance which existed in February. Both sales and purchases with other countries decreased from February, resulting in net sales of \$300,000.

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MANITOBA FLOODS: The level of the Red River had dropped slightly more than a foot to 29.2 feet on the night of May 24 and the number of service men engaged in flood-fighting was being reduced. More than 2,000 Greater Winnipeg houses, however, still had water in their first floors. The clean-up job, which will take months, was beginning. Every precaution was being taken to protect the public health.

In the House of Commons, on May 23, the Prime Minister, Mr. St. Laurent, made a report on the visit he had made to the flood zone

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with the Minister of Justice, Mr. Garson, on May 21 and 22. He said that the federal grant to Manitoba "will be based on the facts, and on the same principles and considerations which applied to the Fraser Valley."

The Prime Minister read to the House a statement made in Winnipeg by General McNaughton, member of the International Joint Commission, on the subject of permanent flood control. Gen. McNaughton's statement read, in part:

"With my colleague on the International Joint Commission I have today flown over the Red River Valley and the City of Winnipeg and have examined both the inroads of the water and the protective measures which have been taken. This watershed has been the subject of study by the engineering boards of the International Joint Commission for some time, and I am here to learn the details of what additional information will be required to prepare a definite plan of flood control. The Minister of External Affairs of Canada has directed that the work of preparing such a plan be expedited by all possible means, and authorities in the United States agree that this should be done, so there is now no obstacle to the immediate prosecution of the necessary study...."

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RAILWAY OPERATIONS: Operating revenues of Canadian railways in February were fairly well maintained at \$65,724,122 as compared with \$65,969,979 in the same month last year, mainly as a result of increased freight rates, declines occurring in the volume of both freight and passenger traffic. Expenses fell from \$65,770,543 to \$64,854,156, and the net debit in operating income was reduced to \$1,481,656 from \$2,334,609 a year earlier.

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AIR FORCE DAY JUNE 10: Air Force Day will be observed this year on Saturday, June 10, it has been announced.



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WEEK'S EVENTS IN REVIEW

MANITOBA FLOOD REPORT: Following a weekend spent in Winnipeg, conferring with provincial, civic, Red Cross, and military forces combating the disastrous floods, the Ministers of Justice, Mr. Garson, and National Defence, Mr. Claxton, reported in some detail to Parliament, on May 15, the conditions which they found.

Mr. Garson, after describing the inundation of various of the areas affected, announced that an integrated plan for complete evacuation of the City had been worked out in case of necessity, that arrangements had been made for bread to be brought in on a day's notice from cities outside Winnipeg, and that work was being maintained on the dikes by volunteer workers numbering well over 50,000.

Mr. Claxton reported that over 4,000 officers and men of the navy, army and air force, active and reserve, were occupied in the Winnipeg operations, which, he said, from the point of view of service participation, constituted a much larger effort than took place at the time of the Fraser Valley floods of 1948. The airlift was probably the largest ever carried out in Canada, and over 30 North Star and Dakota aircraft had been continuously engaged, with an amazing record of performance.

The partial text of Mr. Garson's descriptive report is as follows:

"South of Winnipeg is a lake, in some places over twenty miles wide, and averaging twelve miles wide, extending to Emerson near

the international border and for very many miles beyond that point. The Wildwood area in Fort Garry, the Kingston Crescent area, and nearly the whole of the remainder of St. Vital and the large Riverview area, are almost completely evacuated. Much of East Kildonan is largely evacuated. Most of the hospitals have been completely evacuated, and the Deer Lodge and general hospitals partly so. The city of St. Boniface is threatened on two sides, from the Red and from the Seine river, and is being protected by dikes which are in constant course of repair and which in some places are as high as twenty feet. Because of the danger which that height of dike creates, a considerable measure of evacuation of women and children from that city has been recommended and carried out.

"I am glad to report that the power situation is considerably better. The power stations and gas plant have been well diked; and there is at the present time considerable optimism with regard to the ability to maintain power and light and gas services unless the river should rise substantially beyond its present level....

"There is no trouble expected in connection with railway access to the city. The equipment supply has reached a peak point except with regard to pumps.

"I think it will be of some relief to those who are anxious to know to be told that a well worked-out and integrated plan for complete

IMPORTS FROM U.K. AT ALL-TIME HIGH

WORLD TRADE PICTURE: Canada had a debit balance in commodity trade with the United Kingdom in March instead of the traditional export surplus, due to a sharp rise to a new peak total in the value of imports and a fall in the value of exports. There was also an extraordinary debit balance from trade with other countries of the Commonwealth. At the same time the debit balance with the United States continued the downward trend of recent months, imports falling below a year earlier for the fifth successive month and exports again moving to a higher level. These were only slightly offset by a small export surplus to all other foreign countries.

The net result was that Canada had a debit balance of trade with all countries of \$5,700,000 in March -- the first since April last year. This compares with a small credit balance of \$1,400,000 in the preceding month, and debits of \$16,900,000 and \$2,400,000 in March and April last year. In the first quarter of the year the balance was in Canada's favour to the extent of \$7,500,000 compared with a debit of \$600,000 in the same period of 1949.

The adverse balance with the United Kingdom amounted to \$2,400,000 as compared with credit balances of \$5,300,000 in February and \$11,300,000 in March, 1949. In the quarter, the favourable balance was \$25,700,000, less than half last year's first-quarter total of \$63,200,000.

In trade with the United States there was a marked decline in the debit balance in the month to \$3,700,000 from \$44,900,000 in the corresponding month last year. In the first quarter, the debit balance was \$38,100,000, sharply below last year's debit of \$132,800,000 in the same period.

Merchandise imports from the United Kingdom in March rose to \$32,700,000 from \$28,300,000 a year earlier, while domestic exports fell to \$30,100,000 from \$39,500,000. This is the

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INTERNATIONAL TRADE FAIR: An unprecedented concentration of wealth and business influence is reflected in advance registration of "Very Important Persons" from many parts of the world who have already reserved hotel accommodation in Toronto for the third Canadian International Trade Fair, from May 29 to June 9.

A spot check of the first 500 room reservations made through the Trade Fair administration reveals that more than one-third constitute the very loftiest of "top management", listed as either Chairman of the Board, Presidents, Vice-Presidents, Founders or Managing Directors. Also on the list, but not included in this "top management" business rating, are Ambassadors, Premiers, Deputy Ministers and high government officials.

highest value yet reached by imports from the United Kingdom and indicates a much larger volume than in any month last year. In the first quarter of the year, imports were up to \$84,200,000 from \$76,700,000, while the domestic exports were down to \$109,100,000 from \$139,400,000.

Imports from the United States in March fell to \$160,900,000 from \$169,000,000 in the corresponding month last year, while domestic exports rose to \$154,300,000 from \$122,400,000. In the quarter, imports totalled \$458,500,000 as against \$482,600,000, while domestic exports aggregated \$414,000,000 compared with \$345,200,000.

Imports from all countries in the month were valued at \$237,400,000 as compared with \$200,200,000 in the preceding month and \$235,900,000 in the corresponding month last year, bringing the total for the first quarter of the year to \$649,500,000 as against \$665,700,000 in the similar period of 1949.

Domestic exports to all countries in the month -- as published earlier by the Bureau -- were valued at \$228,200,000 as against \$199,500,000 in February and \$216,800,000 a year earlier, and in the first quarter at \$648,900,000 compared with \$658,800,000.

Foreign exports in March were valued at \$3,500,000 compared with \$2,100,000 in February and \$2,200,000 a year ago, and in the first quarter totalled \$8,100,000 compared with \$6,300,000.

Besides the increased dollar value of purchases from the United Kingdom, and the slackening in buying in the United States, purchases were higher in March than a year earlier from Commonwealth countries in Africa and the Oceania group, but were lower for Commonwealth countries in America and Asia. Buying from countries in Europe was slightly lower in value, but higher from Latin America and from other foreign countries.

Total of registered business visitors is expected to exceed last year's 30,000 by a substantial amount, and this initial sampling of advance registrations reflects the sharply increased interest of international industrial and business leaders.

These first returns predominate with names that mean big business in Britain, Canada, the United States, Australia, India and New Zealand. Seventeen of the Presidents head Canadian firms, with nine from the United States and seven from the British Isles. Vice-presidential registrations so far (14) are shared about equally between the U.S. and Canada, and so on, down the list.

ACREAGE INTENTIONS FOR 1950 CROPS

27,200,000 ACRES TO WHEAT: Canadian farmers will seed 400,000 fewer acres to spring wheat this year than in 1949, making a total of 27,200,000 acres seeded to wheat for harvest in 1950, the Bureau of Statistics estimates on the basis of farmers' intentions at April 30. A decrease of 850,000 acres in summerfallow in the Prairie Provinces is also anticipated, bringing the total summerfallow to 20,100,000 acres.

Offsetting these declines, significant increases are looked for in the major coarse grain crops and flaxseed. The intended acreage of oats at 12,000,000 acres, is up six per cent from last year while barley at 6,900,000 has registered an increase of 15 per cent. Total rye acreage is practically unchanged from 1949 but an anticipated increase of 55 per cent in flax seedings should give Canada nearly half a million acres of flax this year. The acreage intended for potatoes this year is five per cent below the 1949 level.

Intended wheat seedings in the Prairie Provinces are placed at 26,100,000 acres, down some 400,000 from 1949. Ontario's wheat acreage for harvest in 1950 is currently placed at 917,800 acres, nearly all of which is winter wheat, an increase of six per cent over the 1949 harvested area. Wheat is of much less importance in the remaining provinces and the small changes indicated have little effect on

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REHABILITATION CONFERENCE: Problems of Canadians with disabilities are to be discussed at a conference on the rehabilitation of handicapped persons to be held in Ottawa on May 25, 26 and 27, organized by the Labour Department and under the joint sponsorship of the Departments of Labour, Health and Welfare and Veterans Affairs.

All ten Provinces, national voluntary agencies and individuals with special experience in this field have been invited to join federal authorities in studying some of the rehabilitation programmes in Canada and abroad and to consider where such work may be extended in this country to provide more adequate protection for the disabled.

The conference is expected to deal with technical aspects of problems of the handicapped, rather than policy, but its findings will be referred to the respective governmental and other interested agencies for their guidance.

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SHIP INSURANCE RATE CUT: The Minister of Transport, Mr. Chevrier, on May 12, announced that a reduction of 33 1/3 per cent, effective May 1 last, had been made in the scale of minimum additional premiums on hull insurance rates on ships trading between Churchill,

the national total. Winter wheat is seeded to some extent in Alberta and Saskatchewan but official estimates on these seedings are not currently available. It is thought, however, that the total of such wheat on the Prairies is probably less than 200,000 acres.

The anticipated change in wheat acreage from last year in each of the Prairie Provinces is as follows: Manitoba, down 317,000 acres or 10 per cent; Saskatchewan, up 157,000 acres or one per cent; and Alberta, down 228,000 acres or three per cent. A western wheat acreage of the magnitude of 26,100,000 will, if realized, considerably exceed the 1940-49 average of 22,700,000 but would be some six per cent below the record level of 1940 when 27,800,000 acres were sown to wheat in the Prairie Provinces.

For the country as a whole, farmers intend to seed 12,000,000 acres to oats as compared with 11,400,000 in 1949. Increases are indicated in all provinces, with Alberta and Saskatchewan accounting for the major portion. The 1940-49 average acreage of oats in Canada as a whole was 12,800,000. The intended barley acreage for all Canada is estimated at 6,900,000 acres as compared with 6,000,000 last year and the 10-year average of 6,600,000. Increases are anticipated in all provinces except Nova Scotia and Ontario.

Manitoba and the United Kingdom. This was additional to a reduction of 25 per cent made last year.

The Minister pointed out that these reductions resulted from representations made by the Department of Transport to marine underwriters' organizations in London through the Commonwealth Shipping Committee. Canada, he said, was appreciative of the representations made on its behalf by the Commonwealth Shipping Committee.

Mr. Chevrier added that the Department of Transport intends to make further representations with a view to the extension of the navigation period in which the minimum additional premiums will apply on the Churchill-United Kingdom route.

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CARLOADINGS: Carloadings on Canadian railways during the week ending May 8 amounted to 73,928 cars, showing a minor decline of 426 cars from the 74,354 cars loaded in the corresponding week last year. The eastern division total rose 945 cars to 50,633 compared with 49,688, but western loadings were down from 24,666 to 23,295 cars. During the first 18 weeks of this year, all-Canada loadings aggregated 1,248,344 cars as compared with 1,303,261 in the same period of 1949.

ATOMIC ENERGY OUTLOOK: The following is an excerpt from the address of the Minister of Trade and Commerce, Mr. Howe, to the graduates of the University of British Columbia, on May 11:

"I rather think that atomic energy, today, is about where the electrical industry was at the time of Faraday, and that the development of its use will have at least as great an impact on society.

"We know full well that material progress for two hundred years has always been associated with the increase in available capital and available power, permitting the substitution of machines for human effort. First, the steam engine, then hydro engines and internal combustion engines, made progress possible.

"Now we have this new and almost unbelievably great source of energy rapidly becoming available for use. The military implications of atomic energy have thrown a temporary cloud of secrecy over this development, but already the use of radio-isotopes, as a research tool gives promise of great things, making possible new discoveries in all fields of knowledge that mean a major advance in science and technology.

"The international situation may delay progress temporarily, but the day will surely come when the peaceful use and application of this new, and fantastically large, source of energy from atoms, will certainly open up a new and potentially great field of engineering, technology, industry and opportunity..."

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CANADA'S POPULATION 13,766,000: Canada's population at the first of March this year was 13,766,000, an increase of 59,000 over the figure for December 1, 1949, according to the quarterly estimate by the Bureau of Statistics. The gain in the latest quarter compares with estimated increases of 71,000 in the quarter from September 1 to December 1 last year and 87,000 from June 1 to September 1 when there were larger net increases from immigration added to the gains from natural increase. The annual estimate for June 1, 1949 was 13,549,000, the estimated nine-month increase to March 1 this year being 217,000.

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FARM PRICE INDEX UP: Farm prices of agricultural products in Canada, excluding Newfoundland, advanced in March over February, but were below the level of March last year, according to index numbers compiled by the Bureau of Statistics. Prices increased from February to March in all Provinces, but were below those of a year earlier in each Province.

The index number for all-Canada, on the base 1935-39=100, stood at 246.2 for March as compared with 242.7 for February and 251.1 in March last year. The increase over February is largely attributable to increased prices paid for live stock. Small increases were also registered for eggs and potatoes. Compared

with a year ago, prices were lower for all commodities except live stock.

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MCKEE TROPHY WINNER: Dennis K. Yorath of Edmonton, Past President of the Royal Canadian Flying Clubs Association, and prominent in Canadian civil flying activities for more than 20 years, today was announced as winner of the McKee Trophy for 1949 by the Minister of National Defence, Mr. Brooke Claxton.

The trophy, awarded annually since 1927, is presented for meritorious service in advancement of Canadian aviation. The citation covering the award to Mr. Yorath refers to his "outstanding contribution to advancement in the field of aviation during 1949" and cites him as having served the Association as one of its most able and energetic chief executives.

On his initiative, it states, the Association carried out several successful projects designed to enhance the development of aviation in Canada during the period 1947-49. Outstanding examples are the revival of the Webster Trophy competitions in 1947, the National Flying Club Week, the organization and establishment of the Model Aeronautics Association of Canada, and the Safe Flying Campaign among the RCFCFA member clubs, "which continues from year to year and has already contributed to a substantially improved accident rate".

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197 NRC SCHOLARSHIPS: The National Research Council has announced the award of 197 scholarships worth \$140,225 for postgraduate research in 1950-51. Chosen by careful selection from 473 applications, the grantees are grouped in five classes as follows: Postdoctorate overseas fellowships, 8 at \$2,500; special scholarships, 6 at \$750; fellowships, 21 at \$900; studentships, 81 at \$750; and bursaries, 81 at \$450.

By university of bachelor graduation, a classification of the scholarship holders shows the following representation: McGill, 32; British Columbia, 31; Toronto, 27; Saskatchewan, 18; Queen's, 17; Alberta, 16; Manitoba, 15; Dalhousie, 10; Laval, and Western Ontario, 8 each; New Brunswick, 4; two each from Loyola, Macdonald College, Montreal, and Mount Allison; and one each from Acadia, McMaster, and New York.

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STORE SALES DOWN 10 P.C.: Department store sales decreased 10 per cent in April as compared with the corresponding month last year, all Provinces sharing in the decline, according to preliminary figures. Sales in Saskatchewan showed the sharpest decrease of 25 per cent, followed by the Maritimes with a decrease of 12 per cent, Manitoba 11 per cent, Alberta 10 per cent, Ontario nine per cent, and Quebec and British Columbia each seven per cent.

CANADA'S VAST, NEW RESOURCES

MR. ABBOTT'S CHICAGO ADDRESS: Canada has a very good chance of achieving national petroleum self-sufficiency within a few years, with very important implications for its international balance of payments, the Minister of Finance, Mr. Abbott, said in an address before The Bond Club of Chicago, on May 12.

The Minister reviewed at length Canada's financial affairs, its progress and its arrival at the present sound economic position and promising future. The following is an extract from his address dealing with the discovery and development of vast, new resources:

"While Canadians are proud of the rapid growth we have experienced during the last decade, there are many, both in Canada and elsewhere, who believe that this is just the beginning of a new dynamic period in Canada's development. These observers point to a number of recent discoveries of vast new resources -- oil in Alberta; high-grade iron ore at Steep Rock in Ontario, and much larger deposits in Northern Quebec and Labrador; titaniferous ore in Northern Quebec; uranium and base metals in the Northwest; -- and they suggest that these may be merely the forerunners of many other similar discoveries which are likely to result from the application of the seismograph, the magnetometer, and other modern gadgets, to the exploration of our vast hinterland.

"Recent progress in the Alberta oilfields would appear to confirm the most optimistic view of the probable magnitude of oil reserves in this region. Since the discovery of the Leduc field in November 1947, our estimated proven reserves have increased more than fifteen times. Last year they were more than doubled by the finding of several new major and minor fields. The current rate of exploratory activity, as measured by the number of crews at work, is second only to that of Texas.

"So far the effort of the industry to find new oil fields has covered only a small fraction of Canada's 655,000 square miles of prospective oil territory. According to the ex-

perts, we have a good chance of achieving national petroleum self-sufficiency within a few years. That, of course, has very important implications for our international balance of payments, as the importation of petroleum products last year cost us \$275 million. Even now the Alberta oil fields, which are prorated down to little better than half their optimum output, are meeting the requirements of the Prairie Provinces and saving us about \$90 million a year in foreign exchange.

"The new pipeline from Edmonton to Lake Superior which will bring Alberta oil to Ontario refineries, will be completed by the spring of 1951. It seems clear, however, that the most economic use of western oil will require that some of it be shipped to neighbouring areas in the United States, while the large oil-using centres in Eastern Canada continue to obtain the bulk of their supplies in the United States. It would, I think, be unfortunate if our two countries did anything to prevent this reciprocal flow of oil back and forth across the common boundary line and the more efficient utilization of North America's economic resources which it makes possible.

"The Steep Rock iron ore project has been exporting high-grade ore to the United States for some years and plans are now under way to raise output to 3 million tons by 1952. The Ungava-Labrador project offers much greater possibilities. Proven reserves in excess of 350 million tons are considered to be only a fraction of what the field will eventually yield. Six American steel companies have an option to participate in the development and financing of this \$200 million project. Tentative plans call for a railway from the ore body to the St. Lawrence River and the minimum scale of the enterprise involves the shipment of 10 million tons of ore annually. The project, however, will not reach its maximum utilization until the St. Lawrence Seaway has been completed...."

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FORAGE SEED CROPS DOWN: Canada's 1949 forage seed crops were valued at \$13,228,000, down sharply from the preceding year's total of \$21,639,000, according to final estimates by the Bureau of Statistics. The value of vegetable seed and field root-seeds also moved lower to \$1,070,000 as compared with \$1,966,000.

Among the larger forage seed crops there were marked decreases in the value of alfalfa, alsike clover, red clover, and creeping red fescue, but increases in sweet clover, timothy, and brome grass. Among vegetable seed crops there were declines in peas, beans and cucumbers, but increases in carrots, lettuce, and onions.

RAIL FREIGHT TRAFFIC FALLS: Volume of revenue freight carried by Canadian railways in January fell to 9,662,264 tons from 11,113,742 tons in January 1949, and 11,599,866 tons in January, 1948. Weather conditions, particularly in the western division, restricted loadings, while the coal strike in the United States lessened in transit and import traffic. The decrease from January last was 1,451,478 tons or 15 per cent. The current total was the smallest for any January since 1942, but remains considerably above the 5,467,082 tons carried in the same month of 1939. Newfoundland loadings are included for the first time and were 24,083 tons for the month.

\$745 MILLION REFUNDING LOAN: The Minister of Finance, Mr. Abbott, announced on May 15 the term of the 1950 Refunding Loan totalling \$745 million. The loan consists of two maturities - 18-year 2½% bonds maturing June 15th, 1968 and 4½-year 2% bonds maturing December 15th, 1954. The longer-term bonds which are callable on or after June 15th, 1967, are being offered at 99.50% to yield about 2.79% to maturity and the short-term non-callable issue is priced at 99.80% to yield about 2.05%.

The entire proceeds of the new loan will be used to refund two outstanding issues of the Government of Canada which have been called for payment in June. \$95 millions of 3% bonds issued in 1935 have been called for redemption on June 1st, 1950 and \$650 millions of 3% First Victory Loan Bonds have been called for payment on June 15th.

The Minister urged holders of the called issues to examine their investment requirements in the light of the announcement.

350 INVESTMENT DEALERS

The 1950 Refunding Loan will be offered to the public immediately through the facilities of some 350 investment dealers across Canada who are eligible to act as primary distributors and who in turn have appointed more than 8,200 sub-agents. They will also be available at any of the 3,600 branch banks in the ten Provinces. The books of the loan will be opened at Bank of Canada, Ottawa, on Thursday, May 18th for subscriptions by these investment dealers and by banks. The amount of subscriptions to be accepted for each maturity will be determined by the Minister of Finance on the closing of the books.

The method of offering the new issue is similar to that used for pre-war bond issues and for the War Loans of 1940, rather than to the Victory Loan campaigns in which the selling period lasted for three weeks or more. The Minister emphasized that there could be no guarantee given as to how long the books would remain open and he urged all interested investors to act promptly.

Bonds of both maturities will be available in bearer form with coupons attached and in fully registered form on which interest is paid by cheque. The coupon bonds may be registered as to principal if desired. Registration instructions, if any, should be given to salesmen at the time the order is placed.

Mr. Abbott announced that bonds would be delivered to purchasers in definitive form, not as interim certificates. As these definitive bonds will be delivered on or about June 15th, 1950, it is important that salesmen be told promptly what form of bond each purchaser desires and the denominations required.

The 2½% bonds are offered in denominations of \$500, \$1,000, \$5,000, \$25,000 and \$100,000. The 2% bonds will be available in denominations of \$1,000, \$5,000, \$25,000 and \$100,000.

MUSICAL SALUTE CHANGES: Naval Headquarters announced on May 12 changes in the musical salutes to be played by bands of the Royal Canadian Navy on certain formal occasions.

An arrangement of "O Canada" replaces "Rule Britannia" as the salute to the Chief of the Naval Staff, the Naval Board of Canada, Admirals of the Fleet, Admirals and Commanders-in-Chief.

The first and last two bars of the chorus of "The Maple Leaf Forever" will salute Vice-Admirals and Rear-Admirals of the R.C.N. and other officers as appropriate, replacing "Iolanthe".

For Commodores and equivalent officers and officials, the salute will be "C'est l'aviron qui nous mene en haut," instead of "Carb of Old Gaul". "C'est l'aviron" is an old Canadian paddling song.

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RCAF SUMMER TRAINING: More than 3300 Reserve members of the RCAF are expected to take active flying and ground training this summer, reporting to Air Force stations for periods ranging from 2 to 20 weeks, it was announced on May 12 by Air Force Headquarters.

Included will be approximately 1500 officers and men from the RCAF's 10 Auxiliary Squadrons, and almost 1000 university undergraduates, members of the Air Force Reserve. The summer training programme will also include up to 700 high school youths, who will be offered ground training with the Auxiliary Squadrons. This will be an extension of a scheme carried out experimentally on a limited basis last year, and designed to introduce suitable young men to the RCAF's Reserve.

Summer camps for the Auxiliary Squadrons will be held at Chatham, N.B.; Gravenhurst, Ont., and Gimli, Man., and each squadron will be allotted a two-week period. Training at Chatham is scheduled to commence May 27 and will run until July 7. Attending the camp will be 400 Squadron, Toronto, 401 and 438 Squadrons, Montreal, and No. 1 Radar and Communication Unit, Montreal.

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BORDER CROSSINGS UP: Highway traffic crossing the border between Canada and the United States was seven per cent greater in March than in the corresponding month last year. Canadian traffic returning from the United States continued to show greater proportionate gains than United States traffic entering Canada.

Border crossings during the month totalled 509,005 compared with 477,087 in March last year. United States vehicles numbered 327,914 as compared with 317,650, and returning Canadian vehicles totalled 181,091 as against 159,437.

(Continued from P.1)

MANITOBA FLOOD REPORT

evacuation has been prepared. The personnel of the various committees which would be required to implement this plan is already established. Zone commanders have been appointed for each evacuation zone, who would take charge immediately if the necessity arose. Emergency caches of food on both sides of the two rivers have been established to take care of the situation in the event of food warehouses being flooded. Stores of such essential materials as gasoline and motor oil sufficient to last for a considerable time in the future have been established on railway sidings in high and dry places. Emergency loading platforms have been established at high places for use in the event of mass evacuation, and lights have been prepared so that the evacuation may continue twenty-four hours a day if necessary.

"As an indication of the thoroughness with which arrangements have been made, it is interesting to note that arrangements have been made that bread, which is a perishable product, can be brought in on a day's notice from cities outside of Winnipeg. In order to bridge that one day gap, a day's supply of bread has been baked and frozen and is being held in cold storage. Not even that one day gap will be uncared for.

"All of this is the product of what I as a Manitoban can say without immodesty is a most amazing piece of co-ordination between the military and civil authorities. The military authorities are acting under provincial instructions and are co-operating to the greatest possible degree with the provincial authorities, the municipal authorities, the Red Cross and the various volunteer civilian flood relief committees which have been set up.

"One of the most inspiring spectacles we saw there was the Red Cross headquarters in Winnipeg, where they have three shifts of workers of between 400 and 500 each, who were operating flood lighting auxiliary services, when less than two weeks ago this service did not exist. Within that time workers in these three shifts have been brought together and placed in different branches to discharge different functions; chiefs and assistants and other ratings have been established in each branch, with the whole of this activity brought under central over-all control. All of this has been established within this short period of time; and in these three shifts there are only ten paid workers in all.

"Citizens and workers of every kind, businessmen, stenographers, teletype operators, chartered accountants, lawyers, doctors in the Red Cross medical units--all these citizens are taking part in this community effort and are giving almost the entire amount of their time and effort over long hours each day to fighting this flood.

"Upon the dikes themselves the work is being maintained and has been maintained from the beginning by literally thousands of volun-

teer workers. The figure has been given as 60,000, and while I would not want to say that it is that high, it is certainly well over 50,000. Men and women, boys and girls--some as young as twelve who work in carrying up coffee and food to the dikes--are making their contribution...."

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NATIONAL NOTES

The Progressive Conservative Party won two federal by-elections on May 15, retaining Toronto-Broadview, left vacant by the death of Thomas L. Church, K.C., and winning from the Liberal Party Hamilton-West, left vacant by the appointment of Hon. Colin Gibson to the Ontario Supreme Court. George Hees won the Toronto seat by a wide margin; Ellen Fairclough won in Hamilton by a narrow margin. She will be the only present woman Member of the House of Commons.

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A former Minister of Revenue, J. Earl Lawson, who was a member of the Bennett Cabinet, died in Toronto on May 14 at the age of 58. Since 1946 he had been President of the J. Arthur Rank Organization in Canada.

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The Minister of Trade and Commerce, Mr. Howe, left by air this week for London to conduct with British officials trade discussions, "covering a number of subjects, including wheat."

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The Canadian Manufacturers' Association on May 15, before the Parliamentary Committee on Old Age security, supported demands for a contributory old age pensions system, but opposed suggestions that the pensionable age be reduced from 70 to 65 years.

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THE PROVINCES

The Prince Edward Island Government, through its spokesman before the Royal Commission on Transportation, has recommended nationalization of the railways.

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Five representatives have been appointed by the Ontario Medical Association to a co-ordinating committee of the O.M.A. and the Ontario Hospital Association, to discuss a prepaid health plan of medical - hospital insurance.

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Presented with a 35-pound spring salmon in Vancouver, B.C., as a memento of his visit to British Columbia, Premier Smallwood of Newfoundland quipped: "Newfoundland is the only place where you can catch a real salmon."

In Edmonton, Alta., a 12-man team of specialists attempted the delicate feat of separating Siamese twins Brenda and Beverley Townsend. The operation was unsuccessful and the children died due, among other things, to their hearts having been enclosed in the same pericardial sac.

Premier Duplessis of Quebec announced on Saturday last that the Provincial Relief Committee had at that time received nearly \$100,000 in donations for the assistance of homeless persons in the fire-ravaged towns of Rimouski and Cabano.

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FLOOD, FIRES ASSISTANCE: The Prime Minister, Mr. St. Laurent, announced in the House of Commons on May 17 that two federal-provincial fact-finding Commissions have been named to report on the financial aid needed to assist the areas of Manitoba and Quebec stricken by flood and fires, respectively.

The partial text of his announcement in connection with the Manitoba disaster is as follows:

"The Government of Canada has reached agreement with the Government of Manitoba to appoint a fact-finding commission, consisting of Mr. D. Bruce Shaw of the City of Winnipeg, investment banker, and Mr. J.B. Carswell of the City of Vancouver, engineer, to inquire into the nature and extent of the damage caused by the 1950 flood in the Red River Valley in Manitoba, the cost of fighting the flood and the providing of emergency relief required because of the flood, and of emergency precautions to guard against the recurrence of such flood conditions, in order to make available at the earliest possible date a complete statement of all the essential facts necessary to determine the amount of the grant which the federal Government should make to the Government of Manitoba in order to assist that Government in discharging its responsibilities in respect of the said flood."

A similar arrangement has been made with the Government of the Province of Quebec, the Prime Minister said, in which case the federal representative will be Brigadier A. Thériault of Quebec and the provincial representative, Mr. Edouard Laurent, Secretary of the Quebec Treasury Department.

The Acting Secretary of State for External Affairs, Mr. Claxton, announced that both the Canadian and United States Governments have asked the International Joint Commission to expedite recommendation for future control of the Red River.

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AVENGER AIRCRAFT ARRIVE: Naval Headquarters has announced that delivery has begun of Avenger aircraft purchased from the United States Government for the Royal Canadian Navy.

Four Avengers have arrived at the R.C.N. Air Station, Dartmouth, N.S., and the next batch is expected next week. The balance will follow at the rate of about eight or nine a week.

The Avenger, a standard carrier-borne anti-submarine aircraft in the United States Navy, will be employed in the same capacity by the R.C.N. The first squadron to be armed with these aircraft will be 826 Anti-Submarine Squadron of the 18th Carrier Air Group. Prior to this taking place, however, the Avengers are to be fitted in Canadian aircraft plants with additional anti-submarine equipment.

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BANK BALANCES IN BERLIN: The Department of External Affairs has been informed that special arrangements have been made for conversion of bank balances now held in the four sectors of the City of Berlin into prevailing German currencies by account holders who were United Nations nationals on October 1, 1949.

Applications for accounts held in banks in western sectors must be made directly to the bank by the account holder. Enquiries concerning accounts in eastern sectors of Berlin should be directed to the Department of External Affairs. All applications for conversion must reach Berlin prior to June 30, 1950, in order to avoid disqualification.

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CURRENCIES HELD IN GERMANY: The Department of External Affairs has been informed that there has been an extension of the time limit to June 30, 1950, for submission of applications for recognition of title by owners of non-German currencies or securities at present held in Germany.

Enquiries concerning the procedure to be followed in such applications should be directed to the Department of External Affairs.



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WEEK'S EVENTS IN REVIEW

MR. DAVIS TO BONN: The Department of External Affairs, on May 8, announced the following changes in certain missions in Western Europe.

Dr. Victor Doré, now Ambassador in Belgium, has been appointed to Berne. This post has been vacant since the transfer to London of Mr. L.D. Wilgress slightly over a year ago. Dr. Doré will retain in Berne his personal rank of Ambassador and will remain a member of the Executive Board of the United Nations Educational, Scientific and Cultural Organization. It is expected that he will be available, from time to time, for attendance at the international meetings and conferences which are being held in Europe.

Lt. Gen. Maurice A. Pope now Head of the Canadian Mission to the Allied High Commission in Bonn and also Head of the Canadian Military Mission in Berlin will be leaving Bonn, and will take over a Canadian diplomatic mission elsewhere in Western Europe.

The Hon. T.C. Davis, formerly Ambassador to China, will replace General Pope.

It is expected that these changes will take place early in June.

Dr. Henry Laureys, now Canadian Minister to Denmark, will return to Canada in September and retire from the service.

Dr. P.E. Renaud who has served in Berne for the last three years will return to Ottawa for duty in the Department. Dr. Renaud is one of the Department's senior officers.

NORTH ATLANTIC TREATY STATEMENT: The North Atlantic Treaty is not, and never was intended to be, exclusively military; and one of the points which the Canadian Delegation to the meeting of the North Atlantic Council will discuss will be the obligation in the Treaty to encourage economic co-operation, the Secretary of State for External Affairs, Mr. Pearson, said in a statement on May 7.

The Minister had been invited by the National Council of the Canadian Peace Congress, meeting in Toronto, to make a statement on the foreign policy of the Government before the Congress. He was unable to attend but made the statement available for the use of the Congress.

Mr. Pearson's statement read as follows:

"The maintenance of peace and the establishment of security is the greatest single problem facing all the peoples in the world today. Every freedom-loving, peace-loving nation must build its foreign policy on the solution of that problem. But in our passion for peace in an insecure world we cannot blind ourselves to the necessity for taking adequate precautions against aggression from whatever source it may come.

"No country is, of course, entirely blameless in its international policies and all countries have made mistakes against peace. But public discussion in Canada in recent years demonstrates beyond question that the great majority of the Canadian people believes

GRAIN SHIPPING CONFERENCE: To facilitate the movement of ocean grain cargoes in the trade routes of the world, revised regulations for the loading and stowage of grain cargoes on board ships have been formulated at a conference which has been meeting in Ottawa for the past week, under the chairmanship of H.V. Anderson, Director of Marine Services of the Department of Transport. The delegates concluded their deliberations on May 4 when agreement was reached on revised regulations. These are subject to confirmation by their respective authorities.

It is expected that the proposed regulations will be put into effect on a date to be decided later, and in time for handling Canada's 1950 grain crop. The urgency for putting these regulations into effect was emphasized at the opening of the conference by the Minister of Transport, Mr. Chevrier.

A prepared statement was issued at the completion of the conference as follows:

CONFERENCE STATEMENT

"A conference composed of representatives of the Governments of the United Kingdom, the United States, Australia and Canada, with representatives of the New York Board of Marine Underwriters, the Shipping Federation of Canada and the Vancouver Chamber of Shipping, convened in Ottawa on April 28 to discuss methods of loading and stowage of grain cargoes.

"The object of the conference was the possible implementation of that part of the International Convention for the Safety of Life at Sea, 1948, which covers the carriage of bulk grain in ships. At the International Conference of 1948, agreement was reached to the effect that loose heavy grain in bulk might safely be carried in the 'tween decks of ships, provided such grain is carried in bins properly constructed in accordance with regulations; also that certain modifications of the existing regulations regarding shifting boards might be made without sacrificing the all-important safety requirements.

"It had been suggested that, pending ratification of the 1948 Convention and its subsequent coming into force, the United Kingdom, the United States, Australia and Canada might reach an agreement as to a possible basis for regulations which would have the effect of facilitating the movement of grain cargoes. Accordingly, the Minister of Transport, Mr. Chevrier, extended invitations to the Governments of the countries named above to send representatives to attend a conference to be held in Ottawa.

"The deliberations of the conference, under the chairmanship of H.V. Anderson, O.B.E., Director of Marine Services, Canada, have been conducted with complete cordiality and understanding. As a result of these deliberations, agreement has been reached on regulations to be promulgated and put into effect in the near future, thereby affecting quicker despatch of vessels consistent with safety requirements."

EMPLOYMENT INCREASE: The peak in registrations of those seeking work through National Employment Service has been passed, and a rapid seasonal increase in employment in most industries is now under way. After a slow improvement in the employment situation during March, the number of job openings has increased rapidly during April, and large numbers of jobless are returning to work. By April 20, the total number of job seekers registered at local employment offices had declined to 424,300, 10,400 below the April 6 peak, the Minister of Labour, Mr. Mitchell, announced on May 5.

The actual decrease in unemployment is higher than these figures indicate since many registered workers who have found jobs have not notified the National Employment Service. These registrations are not cancelled until 30 days after the date that the worker last reported to the local office, the Minister said.

SUPPLEMENTARY INSURANCE BENEFITS

Of the total number of persons registered with National Employment Service on April 20, 69,000 were persons who had registered for jobs at local offices in order to file claims for supplementary unemployment insurance benefits and who were not registered when the programme began on February 28. By far the largest proportion of this group was located in the logging districts of Quebec and the Maritime provinces. This programme has been of great assistance to many who had not been previously covered by unemployment insurance, or who had exhausted their benefits towards the end of winter, before the spring increases in employment began. Although the supplementary benefit programme ended on April 15 this year, the facilities of the National Employment Service will continue to be available to those who file claims for supplementary benefits while the programme was in effect.

Exclusive of those persons who had registered at the local employment offices since February 28 as a result of their claims to supplementary benefits, there were 355,300 persons seeking work through local employment offices on April 20, a decline of 12,600 since April 6.

The opening of navigation on the Great Lakes, and the beginning of spring activity in construction and agriculture have been responsible for many of the new job openings created. In the manufacturing industries, employment increased in heavy metal plants and in those producing electrical apparatus and household furniture. In some sections of the clothing and rubber goods industries production is close to its spring peak.

The improvement in the employment situation was especially marked in Ontario and the Pacific regions. There was also a considerable number of new job openings in Quebec and the Prairies.

AMBASSADOR OF TURKEY: The Department of External Affairs has announced that on May 5 Mr. Numan Tahir Seymen presented to His Excellency the Governor General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Turkey to Canada.

The Secretary of State for External Affairs, Mr. Pearson was present. Mr. Kenan Gökart and Mr. Efdal Deringil, First Secretaries, and Colonel Pertev Gökce, Military Attaché, accompanied the Ambassador. Mr. Howard Measures, Chief of Protocol, presented Mr. Seymen to His Excellency the Governor General.

Mr. Seymen was born in Istanbul in 1890 and is married. He is a graduate of the School of Political Science. Mr. Seymen entered the Ministry of External Affairs in 1913 and served in the Consulates General of Turkey in Berlin and in Paris. In 1928 he was First Secretary of the Turkish Embassy in Moscow and in 1931 Counsellor of the Embassy in Teheran. In 1933 he was appointed Director General of the Commercial Division of the Department of External Affairs. In 1935 he was Consul General in Geneva and in 1938 he returned to the Ministry of External Affairs as Head of the Consular Division. In 1939 Mr. Seymen was appointed Assistant Secretary General for External Affairs; he was appointed Turkish Minister to Egypt in 1942. Since 1946 he has been Minister to Austria.

Mr. Seymen succeeds Mr. Muzaffer Göker who left Ottawa in August, 1949, to take up his duties as Ambassador of Turkey to the U.S.S.R.

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HOUSING CONSTRUCTION: There was a slight decrease in the number of new dwelling units completed in Canada in January as compared with the corresponding month last year, and a sharp drop in the number of starts, but the number of units under construction at the month-end was above a year earlier.

Completions in January numbered 6,480 as compared with 6,643 a year earlier, while starts -- including Newfoundland -- totalled 2,152 compared with 3,066. At the end of January there were 55,125 units under construction as compared with 52,852 at the same date last year, an increase of four per cent.

Completions were increased in Quebec, Alberta and New Brunswick, but fell off in Ontario and British Columbia. Starts were down sharply in British Columbia and Alberta, and moderately lower in Quebec and Ontario, and the carry-over of uncompleted dwellings at the end of the month was higher in all provinces except Nova Scotia, Alberta and British Columbia.

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1948 RAIL REVENUES \$875,832,000: Revenues of Canadian railways during the calendar year 1948 reached an all-time peak total of \$875,832,000, according to the final detailed report for the year by the Bureau of Statistics. This

was \$90,654,000, or 11.5 per cent higher than in 1947, and \$79,196,000, or 10 per cent above the previous high established in 1944. The increase in freight rates of 21 per cent authorized on April 8 was largely responsible for the peak earnings.

Sparked by increases in labour and material costs, operating expenses jumped 17 per cent from \$690,821,000 in 1947 to a new high of \$808,126,000. The advance exceeded that in revenues by \$26,651,000 as the costs of operation advanced much more rapidly than the controlled payment rates received for transportation services.

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UNIVERSITY ENROLMENT DOWN: The trend in university enrolment in Canada has been downward in the past two academic years after reaching an all-time peak in 1947-48, according to preliminary figures released by the Bureau of Statistics. Despite the drop in the two years, enrolments currently exceed war and pre-war years by a wide margin.

The larger Canadian universities which normally account for about 95 per cent of all enrolments had 67,375 students enrolled for the 1949-50 term, indicating that enrolment in all universities in Canada is now about 70,000 as compared with 85,000 two years ago.

Among the larger faculties, reductions are particularly noticeable in agriculture, engineering, and applied science. Medicine, dentistry, veterinary science and schools of social work show increases. Enrolments in the law course have remained steady. The number of arts and science students has decreased at the undergraduate but risen at the post-graduate level.

Undergraduates enrolled in the arts course -- largest of the faculties -- in the 1949-50 term in the institutions reporting to the Bureau numbered 23,642 as compared with 24,595 in 1948-49, and 31,143 in 1947-48. In engineering and applied science, enrolment totalled 10,549 compared with 12,338 in 1948-49 and 14,345 in 1947-48; in medicine, 4,284 compared with 3,927 the year before and 4,009 in 1947-48; and in pure science, 4,504 compared with 4,618 in 1948-49, and 4,725 in 1947-48.

Undergraduates in commerce were lower at 3,335 compared with 4,537 in 1948-49 and 4,910 in 1947-48, and in agriculture were down to 2,275 from 2,874 in 1948-49 and 3,207 in 1947-48, but in law totalled 2,474 compared with 2,405 in 1948-49, and 2,499 in 1947-48.

Enrolments in dentistry were up to 1,095 from 888 in the preceding term and 993 in 1947-48, and in pharmacy to 1,432 from 1,111 in 1948-49, and 1,271 in 1947-48. In household science there were 1,303 undergraduates compared with 1,275 in 1948-49, and 1,474 in 1947-48.

Post-graduate students in all courses at the reporting institutions increased to 4,529 in 1949-50 as compared with 3,435 the previous session and 3,841 in 1947-48.

WHEAT CARRY-OVER CONSIDERABLY LARGER

WORLD SITUATION: Supplies of wheat remaining for export and carry-over at April 1 this year in the four major exporting countries -- United States, Canada, Australia and Argentina -- were considerably larger than they were a year earlier, while the present early forecasts indicate a generally favourable outlook for crops this season in the Northern Hemisphere.

Forecasts this early in the season are based principally on the area and condition of winter wheat, as spring wheat seeding is just now under way in most northern countries. It is estimated that winter varieties account for about 95 per cent of the total wheat crop in continental Europe and in China; about 75 per cent of the United States total and from 30 to 35 per cent in the Soviet Union. In Canada less than five per cent of the wheat area is planted to winter wheat. In continental Europe, prospects for winter grains are promising with major producing countries reporting good growing conditions on acreages as great or greater than last year. It was dry in the Soviet Union last fall and adequate snow cover was lacking in some areas until late winter. Spring seedings by late March, however, were reported to be higher than a year ago. Reports from India indicate that the crop there is turning out well with production at least up to last year's level.

The outlook in North America is perhaps slightly less favourable than elsewhere in the Northern Hemisphere. In the United States the April 1 estimate of 764 million bushels of winter wheat is 121 million bushels less than the December 1 forecast -- this being due chiefly to continued dryness, aphid infestation and acreage abandonment in the Southern Great Plains. Such a crop would be the smallest since 1944 but still one per cent above the 10-year average. However reports of continued deterioration have been received from several sections of the winter wheat belt and if conditions do not improve the crop may turn out

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1949 AGRICULTURAL PRODUCTION: Agricultural production in Canada last year was lower than in 1948, above 1947, but down somewhat from the all-time peak reached in 1942, according to index numbers compiled by the Bureau of Statistics.

The index number of physical volume of agricultural production for 1949, on the base 1935-39=100, stood at 121.8 compared with 125.2 in 1948, 116.0 in 1947, and 164.2 in 1942. The smaller production in 1949 as compared with 1948, is largely attributable to the prolonged drought which occurred during the early part of the growing season. The most significant reduction in output was recorded for the grain crops.

below the presently estimated level. In addition, the acreage intended for spring wheat seeding in the United States is down nearly 13 per cent from last year's plantings -- although still nine per cent above the 1939-48 average.

In Canada's Prairie Provinces, subsoil moisture reserves are quite generally below average, except in Manitoba. Spring is late, too, in the west this year and during April temperatures have been mostly below normal. According to an official report covering the period April 1 to 24, precipitation was five to 50 per cent below normal throughout most of the agricultural area of Manitoba, except in the far northwest. In Saskatchewan there were small deficiencies in the southeast and extreme west but substantial excesses occurred elsewhere. In Alberta, deficiencies ranged to 65 per cent in southern and east central areas but excesses of 35 to over 100 per cent were registered in northern districts. Floods have damaged crop lands along the Red River in Manitoba. Serious grasshopper infestations are anticipated over wide areas in all three provinces and local governments are actively preparing their control campaigns.

In the Southern Hemisphere seeding of small grains is just getting under way, with the long drought in Argentina being relieved by rains in late February and early March. The Government in that country recently announced a price bonus for the new crop and this may encourage the seeding of an increased acreage.

The amount of wheat available in the four major exporting countries for export and carry-over at April 1 this year was 919 million bushels compared with 815 million a year ago. Supplies this year (in millions of bushels) were held as follows, last year's figures in brackets: United States, 527 (420); Canada, 183 (200); Australia, 121 (100); and Argentina, 88 (95).

The protracted dry spell also adversely affected the 1949 production of potatoes and vegetables, although abundant, timely rains in September resulted in some recovery and final yields of these crops were much better than anticipated earlier. Adding to the decline in production was the smaller outturn of eggs caused by reduced hatchings in 1948 and an output of fewer eggs per hen during the year.

Offsetting but not entirely compensating for the reduced production of the above commodities was the fairly substantial increase in livestock production, together with smaller increases in the output of dairy products, fruit, tobacco, sugar beets and maple products.

NON-RESIDENT INVESTMENTS RISE: Non-resident investments in Canada rose more than \$300 million in 1948 over the 1947 level, the increase being entirely in holdings in the United States, while Canadian direct investments in business outside of Canada declined moderately and the value of Canadian portfolio holdings of foreign securities rose.

Total value of non-resident investments in Canada amounted in 1948 to \$7,513 million (Canadian) as compared with a revised total of \$7,192 million in 1947, and \$7,178 million in 1946, according to preliminary figures issued by the Bureau of Statistics. While showing a marked gain over the two preceding years, the 1948 total is below the 1930 dollar value, which stood at \$7,613.8 million. Since that year there has been a large decline in holdings in the United Kingdom, while holdings in the United States and in other countries have risen.

Investments in Canada held in the United States rose to \$5,588 million in 1948 from \$5,218 million the previous year and \$5,157 million in 1946. In 1930 they amounted to \$4,659.5 million. Investments held in the United Kingdom continued in 1948 the downward trend of the two previous years and the war-time period, declining to \$1,593 million as against \$1,631 million in 1947 and \$1,668 million in 1946. In 1939 United Kingdom holdings stood at \$2,475.9 million and in 1930 at \$2,766.3 million. Investments held in other countries than the United Kingdom and United States also declined last year to \$332 million from \$343 million and \$353 million in 1947 and 1946, respectively; these totals comparing with \$286 million in 1939 and \$188 million in 1930.

American direct investments in Canada in companies controlled in the United States increased in aggregate value to \$2,829 million in 1948 from a revised total of \$2,565 million in 1947, making an increase of more than \$500 million from \$2,304 million in 1945.

Canadian direct investments in businesses outside of Canada are placed at \$788 million in 1948, down from \$822 million in 1947 but still above the 1946 figure of \$772 million. Portfolio holdings of foreign securities by Canadians increased to \$605 from \$579 million. Both items are exclusive of investments of insurance companies.

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CARLOADINGS: Carloadings on Canadian railways during the week ended April 29 totalled 75,148 cars, a near record for the period, as compared with 74,098 cars in the same week last year, an advance of 1,050 cars or 1.4 per cent. Cumulative loadings for the first four months of this year were 1,174,270 cars against 1,228,907 last year. Eastern division loadings in the week climbed to 50,315 cars as compared with 49,125, while the West, despite floods in southern Manitoba, reported 24,833 cars against 24,973 cars in the same period of 1949.

UN OFFICER TO VISIT TRADE FAIR: To further United Nations' policy to explore all possibilities of purchasing from UN member states equipment for the permanent headquarters and expendable supplies for the daily operation of the Secretariat, Mr. W. Murray Anderson, an official of the Purchase and Transportation Division, dealing with international procurement, will visit the Canadian International Trade Fair opening in Toronto, Canada, on May 29.

Mr. Anderson will be seeking information on the availability of such items as upholstered furniture, steel office furniture, carpeting, radio and communication equipment, business machines, paper and other expandable items, the UN Press Bureau reports.

Countries which manufacture products suitable for United Nations' use will be invited to submit bids as requirements arise.

Up to the present time, the United Nations has placed orders in Canada for over \$300,000, a large portion of which represents the procurement of paper and contractual printing, as well as motion picture photography.

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WATER RESOURCES PAPERS: The Water Resources Division, Development Services Branch, Department of Resources and Development, has published volume 98 of the Water Resources Papers which deals with the surface water supply of Canada. This number contains the results of investigations by the Dominion Hydrometric Survey in the Province of British Columbia and in Yukon Territory for the climatic years October 1, 1942 to September 30, 1944.

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A.D. MCLEAN TO TRANSPORT BOARD: Appointment of A.D. McLean, O.B.E., Controller of Civil Aviation, Department of Transport, as one of the members of the Air Transport Board, was announced on May 8 by the Minister of Transport, Mr. Chevrier. Mr. McLean fills the vacancy created by the recent resignation of A/V/M Alan Ferrier, C.B., M.C., who has joined the Secretariat of the International Civil Aviation Organization. The other members of the Air Transport Board are J.R. Baldwin, Chairman, and J.P.R. Vachon.

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MOTOR VEHICLE SALES: While registering a more moderate increase over 1949 than in the two previous months, March sales of new motor vehicles were maintained at a high level. Financing of sales of new and used vehicles also continued to show large increases.

A total of 34,492 new vehicles were retailed for \$68,766,768 in March as compared with 24,637 vehicles sold for \$52,359,305 in the same month last year, raising the aggregate for the first three months of this year to 90,582 units valued at \$181,062,771 from 50,625 units at \$108,524,877 in the like period of 1949.

COST OF LIVING ADVANCES: The Bureau of Statistics cost-of-living index, on the base 1935-39=100, advanced to 164.0 at April 1 from 163.7 at March 1, and 159.3 at April 1 last year. Foods contributed approximately one-half of the increase of 0.3 points from March 1, while the fuel and light index gain was next in importance.

A rise in the food index from 204.0 at March 1 to 204.5 at April 1 was mainly attributable to higher prices for beef, eggs and coffee. Butter prices were down slightly. Higher quotations in Ontario and Quebec for

anthracite coal were largely responsible for the rise in the fuel and light index from 136.3 to 138.0.

The advance of 0.1 points to 166.4 in the index of home furnishings and services was due mostly to a slight increase in floor coverings. The miscellaneous index rose from 132.1, to 132.3, reflecting an increase in motor operating costs and drug prices.

The clothing index continued to decline, moving from 181.4 to 181.2. Rents were not surveyed at April 1 and the index remained unchanged at 132.7.

Cost-of-Living Indexes (1935-39=100)

	Combined Index	Food	Rent	Fuel and Light	Clothing	Home Furnishings and Services	Miscellaneous
April 1, 1950	164.0	204.5	132.7	138.0	181.2	166.4	132.3
March 1, 1950	163.7	204.0	132.7	136.3	181.4	166.3	132.1
April 1, 1949	159.3	198.5	122.4	131.0	183.2	168.0	128.4

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WORLD EMPLOYMENT SURVEY: The International Labour Office made public on May 8 its long-range survey of world unemployment conditions and its programme to avoid another depression.

The ILO economists, in a study prepared for debate by the worker, employer and Government delegates of 60 nations at its General Conference opening in Geneva, June 7, warned against certain signs pointing to a possible increase in unemployment.

They declared, however, that depression can be avoided by means of prompt and adequate international and national action. They said:

"The recognition that unemployment and underemployment are social evils which can be eradicated represents a landmark in the thinking of modern times. No longer is there a passive acceptance of the inevitability of unemployment and poverty."

The ILO economists warned, however, that the maintenance of full employment "is no easy task", Concerning the present world situation, they found:

1. "In the United States the rise in unemployment in 1949 was due mainly to the liquidation of inventories held by manufacturers and wholesale dealers.

2. "In the Bizone area of Germany, a major factor responsible for the upward trend of unemployment in 1949 was the rapid increase in the labour force consequent upon the large-scale influx of refugees.

3. "The unemployment problem in Italy is, to

a large extent, of a chronic character, originating primarily in the lack of employment opportunities in southern Italy.

4. "The increase in unemployment in Belgium in 1949 can be ascribed, to a large extent, to the increasing sales difficulties experienced in the export industries.

5. "While, with the exceptions noted above, the great majority of the industrial countries in 1949 experienced low unemployment and utilized manpower more fully than before the war, the employment problem in the underdeveloped countries remains as serious a problem as it was before the war."

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PORTUGAL EASES AIR TRAVEL: In support of the International Civil Aviation Organization's programme to facilitate international air travel, Portugal has relaxed its visa restrictions on travellers passing through the country or spending a few days in it, it has been announced. Passengers in transit may now land and remain in Portugal for four days without a visa, and may obtain further authorization for another six days upon request.

Other changes in the Portuguese regulations which will make air transport in and through that country simpler include the abolition of the ticket tax and of airport taxes which previously applied to passengers either in transit or disembarking at Portuguese airports. Customs formalities have also been simplified.

NORTH ATLANTIC TREATY STATEMENT

that the chief threat to peace lies in the aggressive and expansionist policy of the Soviet Union; in its determination to prevent friendly intercourse between the citizens and those of other countries; in its poisoning of the minds of its own people against the governments and peoples of the free democracies; in its aggressive and subversive interference in the domestic affairs of other countries through the use of the communist international as the agent of Russian Imperialism; in its arrogant refusal to participate in the work of the United Nations, except on its own terms. All these things have aroused fear and apprehension in the minds of all free peoples. They have necessitated large expenditures for defence which might have otherwise been devoted to progressive social betterment. The Canadian people have indicated clearly, however, that they see no alternative to such expenditures in the face of a Russian army of more than 170 divisions and of an organization of society where every individual is conscripted to the service of a ruthless police state.

DEFENCE AGAINST AGGRESSION

"Adequate defence against aggression - external and domestic - is only one aspect of a policy of peace. Another is the necessity of conducting our external affairs with a view to removing the causes of international conflict; political, social and economic. The Canadian Government is committed to that policy in its relations with other states. The Canadian Government is also pledged to support the United Nations and the manner of our participation in its work proves our good faith in fulfilling that pledge. Canada is no country's satellite at Lake Success. The facts of voting there prove that. No communist state has ever - except by accident - voted against the U.S.S.R. Canada's record, however, is different, and Canadian delegations without fear or favour have supported United Nations policies that in our opinion make for peace; and have opposed those that do not.

"The Canadian Government recognizes, however, that mainly, though not entirely, because of the obstructive tactics of the U.S.-S.R., the United Nations cannot now guarantee any state's security. Until, therefore, the United Nations becomes more effective for this purpose, and we will support any good move to that end, the Canadian Government supports regional security arrangements such as the North Atlantic Pact. In present circumstances, these are essential complements to world-wide collective arrangements. They threaten no one who does not contemplate aggression.

"The North Atlantic Treaty is not and never was intended to be exclusively military. It is no alliance of the old-fashioned type. In fact, Canada took the lead in having inserted in it an article calling upon the signatory powers to strengthen their free institutions and to

bring about total understanding of the principles upon which these institutions were founded and in this way promote conditions of stability and economic well being. This same article imposed an obligation to terminate conflicting international economic policies and to encourage international economic co-operation. The implementation of this article, as one more step toward peace, is one of the points which the Canadian Delegation to the meeting of the North Atlantic Council will discuss in London next week.

"Unfortunately, co-operation, economic and social, with the U.S.S.R. and its satellite states is not now possible. Many overtures have been made by the western democracies for the purpose of encouraging easy and normal contacts between our people and the people of the Soviet Union. These approaches have been systematically rebuffed.

"The road to universal peace is not easy. In the face of determined aggressive and expansionist Soviet Imperialism the leaders and peoples of the free world will require patience to overcome the difficulties which lie in the way. Impatience which expresses itself in provocative tactics must be opposed from whatever source it comes - friendly or unfriendly. In addition, we will require strength, intelligence, imagination and sincerity. As I had occasion to say recently in the House of Commons, 'We must never give up trying. We must not... refuse to examine any proposal from any quarter which may be put forward'. We must, however, be on our guard against any false sense of peace and security. We must be watchful of the pitfalls into which easy catchwords of communist propaganda can lead us.

"In conclusion, I give you the assurance that for its part, the Canadian Government, with the support of the Canadian people, will do its best to preserve peace, to promote progress and to guarantee our security against aggression."

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WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on April 27 amounted to 126,780,200 bushels as compared with 129,130,800 a week earlier, and 118,551,000 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces during the week amounted to 2,080,500 bushels, down from last year's corresponding total of 2,345,400 bushels. The cumulative total for the period August 1 - April 27 was 265,006,500 bushels as against 262,687,500 in the similar period of the preceding crop year.

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UNEMPLOYMENT INSURANCE CLAIMS: Claims for unemployment insurance benefits in March numbered 133,404, up from the preceding month's total of 125,511, and above last year's March figure of 103,402.

"CANADA'S INDUSTRIAL HORIZONS"

ADDRESS BY MINISTER OF TRADE: It will not be long before we can stop thinking of atomic energy as an agency of destruction and instead think of it as a great new source of power and a basis for a gigantic new industry, the Minister of Trade and Commerce, Mr. C.D. Howe, told the Dominion Council of Foremen's Clubs in Montreal, on May 5, in an address on, "Canada's Industrial Horizons."

Canadian industry, he said, must continue to expand and to compete if jobs were to be found for the rapidly growing population. Future growth was likely to depend in part upon public demand for new products. He said that few realized the part that research and invention could play in the development of an industrial nation and added he liked to think that the next fifty years would exceed the past half century in that respect.

In reviewing Canada's trade outlook from the perspective of present world conditions, the Minister said in part:

"In taking stock of our present situation, we must not side-step the fact that the world has not yet nearly completed its reconstruction. The structure of international trade is being held together by makeshift arrangements, makeshift not in the sense that they are not good, practical arrangements, but rather in the sense that they are essentially temporary. Few countries have yet been able to make much headway toward freeing their foreign commerce from import, export and exchange restrictions.

"Actually, the progress that is being made in some countries in this regard is being largely offset by the increased extent and severity of restrictions in other countries. Not only that, our old aversion, the bilateral agreement, in its many different forms, is very much in the picture. I am afraid that the widespread use of bilateral agreements is not going to disappear, nor be much reduced, until unstable currency values and heavily unbalanced trade between different areas has been corrected to an extent that will assure the many countries using that trading system that they can give it up safely and with something better in sight.

"The only permanent remedy lies in a better balance in the exchange of goods between countries, and particularly between dollar countries and countries using other currencies. The solution rests in no small degree upon British and European success in finding increased markets in North America....

"In the past, with our boasted faith in the competitive system, we have been more closely wedded to the principle of competition within

our own borders than to the admission of competition from outside sources. If in future we intend to limit closely the degree of genuine competition that we will extend to the countries that are allied and associated with us, we cannot expect them to do otherwise.

"It is well to remember that no country is as dependent for its prosperity upon export markets as is Canada. On a per capita basis, our exports are four times those of the United Kingdom. I do not see how Canada can continue to prosper unless we can maintain our exports at something like present levels, or until our growth in population can absorb a larger proportion of our expanding production....

"What of the future? Canadian industry must continue to expand and to compete if jobs are to be found for our rapidly growing population. Future growth is likely to depend in part upon the public demand for new products, and this in turn will depend on the progress of invention and scientific progress. Few of us realize the part that research and invention can play in the development of an industrial nation. With this thought in mind, Canada is now spending more than ten times the amount of money for research that was considered appropriate in prewar years....

"I like to think that the next fifty years will exceed the past half century in progress through science and invention. Atomic energy comes immediately to mind as one of the spectacular discoveries that might exert as much influence on the material world in the next fifty years as the internal combustion engine has done to date. We discuss this now in terms of atomic bombs, but the possibilities of atomic energy are as great for good as for evil. It will not be long before we stop thinking of atomic energy as an agency of destruction and instead think of it as a great new source of power and a basis for a gigantic new industry.

"The jet gas turbine is in its infancy and will make its contribution. The Diesel engine is replacing steam on our railroads with amazing resultant economy of operation. Television is in its infancy. Recent studies in medical research have been striking, with the discovery of insulin, sulpha drugs, penicillin, streptomycin and now Cortisone and ACTH....

"Apart from the development of new industries, the Canadian industry is bound to expand, provided its efficiency can be maintained. Canada is fast becoming the world's greatest source of raw materials, - copper, zinc, lead, nickel, aluminum, timber and lumber and, more recently, iron ore and titanium and petroleum.

CROP SEASON LATE: The spring season with few exceptions is later than last year and in most areas well behind normal, states the Bureau of Statistics in the first of its 1950 series of telegraphic crop reports.

Very little seeding has been done in the Maritimes and little or none in Quebec. Good progress has been made in southern and central counties of Ontario but work will not start in the north for another week to 10 days. Pastures have been slow to start throughout eastern Canada and most cattle are still being stable fed.

In the Prairie Provinces, with the exception of small areas in southern Alberta and Saskatchewan, practically no seeding has been done. Seeding over much of Alberta and Saskatchewan should become general this week but excessive moisture in the greater part of Manitoba will delay seeding for another week or more. Temperatures throughout the Prairies have been generally well below normal to date this season. For the most part, surface moisture is adequate to promote germination in Alberta and Saskatchewan but subsoil reserves are generally below normal. Backward weather has also delayed field work in British Columbia. Prospects for most fruit crops are considered generally below normal.

SEASON IN MARITIMES

The season in the Maritimes is considerably delayed by cold weather. Seeding is under way in the Annapolis Valley of Nova Scotia and some ploughing has been done in Cumberland County. Elsewhere in the province work on the land has not started. Pastures have wintered well but some winter-killing of clovers is reported in the Amherst area. In New Brunswick only a few very early fields have been seeded with most of the land being too wet to handle. Clovers and alfalfa suffered severe winter injury and warm weather is needed for the growth of meadows and pastures.

In strong contrast to last year it has not yet been possible to start field work in Quebec. It is expected, however, that some farmers in the districts around Montreal will start seeding this week, given warmer weather. Low temperatures and night frosts have delayed growth in pastures and meadows with the result that cattle are still being stable fed. Meadows have been damaged in some areas but it is too early to estimate the general extent of winter-killing.

Persistent cold, backward weather throughout Ontario has delayed spring seeding considerably this year. Very little was completed in April, but good progress was made in the southern and central counties during the first week of May.

THE PROVINCES

For the first time in Toronto's history, organized baseball was played on Sunday in that city, the home team losing both ends of a double header to Jersey City. Attendance was 17,388.

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The Provinces of Ontario and Manitoba favor payments of old age pensions to all persons 70 years of age and over regardless of means, it was shown in correspondence made public by Parliament's Committee on Old Age Pensions.

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The County and District Judges Association of Ontario has asked for salary increases for its members. The average salary of County Court Judges in Ontario each year was \$8,782, it was shown in a return tabled in the House of Commons.

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More than 10,000 people heard the Very Reverend Hewlett Johnson, Dean of Canterbury, at a mass meeting in Maple Leaf Gardens, Toronto, on May 7, under the sponsorship of the Canadian Peace Congress.

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Alberta has asked the Royal Commission on Transportation for changes in the system of setting freight rates to wipe out "Discrimination" against that Province.

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PRODUCTION

Factory shipments of Canadian-made motor vehicles were again at a high level in March. There were 30,051 units shipped in March as compared with 30,137 in the preceding month and 25,566 in March last year.

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Gold production in Canada in February was down one per cent from January, but increased 14 per cent above February, 1949. The month's production amounted to 350,704 fine ounces.

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Production of electric refrigerators rose to an all-time monthly high record in February, amounting to 21,410 units.

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Wheat flour production increased 10 per cent in March over the corresponding month last year, amounting to 1,850,721 barrels.

IN PARLIAMENT

FEDERAL FLOOD, FIRE AID: Twin tragedies of flood in the mid-west and fires in Eastern Canada held Parliament's attention during the week - a week of national tragedy.

The events for which representatives of all parties in Parliament expressed profound sympathy and regret were the Manitoba floods, which, steadily rising, have left thousands homeless; and fires which wiped out a large portion of the town of Rimouski, Que., and swept the little milling town of Cabano, Que.

The Rimouski fire of May 6 and 7 is reported to have been started by a power line which fell into a great yard of drying lumber. The loss there is estimated to be \$20,000,000, and 2,500 of the 15,000 inhabitants have been left homeless.

The Cabano fire of May 9 reportedly started in a lumber pile ignited by sparks from the chimney of a planing mill, and occasioned loss estimated at between \$5,000,000 and \$10,000,000. In Cabano which is only 50 miles from Rimouski, 1,800 are reported homeless.

The Manitoba floods, at latest estimate, have inundated hundreds of square miles and rendered many thousands of Southern Manitobans homeless. Thousands have fled their homes in the Winnipeg area and mass evacuation of all low-lying parts of Greater Winnipeg was urged Tuesday night by the Army head of flood control, as the Red River surged upward from already-record levels.

On May 10 it was recommended by flood control headquarters that as many women and children as possible leave Winnipeg at once, before the flood situation got worse. An estimated 25,000 flood-dispossessed persons from the Red River Valley were then reported to be in Winnipeg. One eighth of the metropolitan zone was reported to be under water.

The special facilities of the Armed Forces and all other federal agencies in the respective areas were made immediately available to the stricken populace, the Prime Minister, Mr. St. Laurent, announced in the House of Commons on May 8, and federal financial assistance in the measure which ultimately is deemed necessary was pledged by the Prime Minister in a telegram to Premier Campbell of Manitoba.

"Until the extent of your misfortune is determined," the Prime Minister's telegram read in part, "no one can be specific, but I can say in general terms that in arriving at the amount of our assistance to you, we shall apply the same principles as those upon which our assistance to the British Columbia Government in connection with the Fraser River Valley floods was determined."

MR. DREW'S MOTION DEFEATED: Accepting the Government's previously expressed view that Canada's anti-subversive laws are adequate, the House of Commons, on May 8, rejected the motion of Mr. George Drew, Progressive Conservative Leader, for amendment to the criminal code to make Communism and "other similar activities" a criminal offence.

The vote was 147 to 32. The C.C.F. and Social Credit parties voted with the Liberals against the motion. Two Independents and one Liberal - Mr. Wilfrid Lacroix - voted for the motion.

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NATIONAL NOTES

The former Prime Minister, Mr. King, has received the Grand Cross of Luxembourg, in recognition by Luxembourg of services during the war.

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Leo Dolan, Director of the Travel Bureau, told the Senate Committee on Tourist Traffic that inquiries to date are 19 per cent higher than in the corresponding period last year.

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The Secretary of State for External Affairs, Mr. Pearson, arrived at London Airport on May 7, to attend the meeting of the North Atlantic Council.

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Senator W.D. Euler, on May 8, urged the Senate to accept a motion which would commit it to approve of a conference of the nations of the Atlantic Pact to "explore the proposals of Federal union."

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Two Lancasters took off from Rockcliffe Air Station, near Ottawa, on May 9, for Resolute Bay in the heart of the Canadian Arctic, farthest north the photo squadrons have ever been based.

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An RCAF Vampire jet fighter set a record for the flight between Ottawa and Montreal on May 8 when it flew the 91½ mile air distance in eight and one half minutes, the RCAF has announced.

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Sir Basil Brooke, Prime Minister of Northern Ireland, and Lady Brooke, arrived in Ottawa on May 9, at the commencement of a three-week visit.



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WEEK'S EVENTS IN REVIEW

DEVELOPMENT OF NORTH ATLANTIC ALLIANCE:

Development of the North Atlantic Alliance into "something a great deal more basic than simply a military alliance," was forecast by the Secretary of State for External Affairs, Mr. Pearson, in an address before the Montreal Reform Club, on April 29.

All members of the North Atlantic group, he said, on the eve of his departure for the meeting of the North Atlantic Council, in London, are pledged by the Treaty "to broaden the basis of their association, by co-operation in the solution of economic problems."

The Minister spoke, in part, as follows in an analysis of relations existing between the Western world and the USSR, and the underlying causes of present difficulties:

"The central political problem of our time is the relationship between the free Western world and the USSR. This question is under constant public discussion, in the press, on platforms and at unofficial conferences, open and private. You may be sure also that the Government is giving full and continual attention to the problem, anxious on the one hand to support any reasonable move towards a settlement and on the other to avoid any action that serves no other purpose than appeasement."

"At the end of the war we had some reason to believe that our relations with the Russians might develop along normal friendly channels.

We were all heartened by the magnificent achievements of the war-time alliance, and the tremendous co-operative effort from East and West alike which had crushed the Germans led us to believe that we could enjoy equally spectacular but more constructive efforts from peacetime co-operation....

"I think the Russians made their deliberate choice to reject co-operation with the West for a number of reasons. One of them springs from the communist theory upon which their State is based. Their leaders have taught them that the Russian revolution is merely the beginning of a world revolution and that for this reason conflict between the Soviet State and the rest of the world is inevitable. They therefore set their people to work preparing for this conflict. At the same time, I think that they were influenced by expansionist traditions which go far back in the history of Soviet policy. They had a choice to make in 1945 between co-operating with the rest of us in rebuilding the world or alternatively seizing control of as great an area as possible. They made the latter choice. They drew the line of their influence as far away from Moscow as they could manage, and ever since they have been vigorously engaged trying on the one hand to extend that line and on the other hand to shut the rest of us out from behind it. They have been influenced also by a third motive -

MR. J.H. STITT'S APPOINTMENT: The Minister of Labour, Mr. Mitchell, announced on April 27 that he has appointed J.H. Stitt, an Ottawa barrister, an Industrial Inquiry Commission under the Industrial Relations and Disputes Investigation Act to deal with certain matters involving the American Newspaper Guild and The Canadian Press.

The union, which early in April was certified by the Canada Labour Relations Board as bargaining agent of a unit of editorial employees of The Canadian Press, subsequently applied to the Minister for his consent to prosecute The Canadian Press and its General Manager, Gillis Purcell, for a number of alleged offences under the Act. Among the offences alleged to have been committed by the Canadian Press and Mr. Purcell was their failure to commence to bargain collectively with the union, as required by the Act.

Mr. Mitchell stated that the Industrial Relations and Disputes Investigation Act empowers him to take such steps as seem calculated to maintain or secure industrial peace and to promote conditions favourable to settlement of disputes. Accordingly, he said, after consideration of the application for his consent to prosecute, he had decided upon the appointment of an Industrial Inquiry Commission.

The Minister said that Mr. Stitt's first duty will be to endeavour to assist the parties to bargain collectively with one another, as required by the Act. Failing this, Mr. Stitt will investigate and report to the Minister on the matters referred to in the application for consent to prosecute.

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FARM PRICE INDEX: Farm prices of agricultural products in Canada, excluding Newfoundland, advanced slightly in February over January, according to the index numbers compiled by the Bureau of Statistics, but were below the level of February last year. Prices advanced from January to February in all the nine Provinces except Prince Edward Island, but were below those of a year earlier in each Province.

The Bureau's monthly index number for all Canada, on the base 1935-39=100, stood at 242.8 for February as compared with 238.6 for January and 253.1 for February last year. The advance of about four points over January is largely attributable to increased prices for livestock and eggs. Compared with a year earlier, prices were lower in February for nearly all commodities.

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WHOLESALE PRICES UP: Wholesale prices in Canada moved up in March, the general index on the base 1926=100, rising to 159.3 from 158.0 in February. The March level was 1.7 points above March, 1949, and only three-tenths of a point below the peak of 159.6 reached in December, 1948.

Indexes for five of the eight sub-groups moved higher in March as compared with February, while three were lower. Group indexes were as follows, figures for February being in brackets: vegetable products, 145.0 (142.9); animal products, 166.8 (163.4); textile products, 162.4 (162.8); wood products, 191.5 (190.6); iron products, 178.6 (177.2); non-ferrous metals, 137.2 (139.4); non-metallic minerals, 140.0 (139.9); chemical products, 117.4 (117.6).

The wholesale price index of general building materials advanced in March for the sixth consecutive month, rising to 205.1 from 203.5 a month earlier. This level was three-tenths of a point below the March, 1949 figure, and eight-tenths of a point below the peak of 205.9 reached in October, 1948.

In contrast with the price trend for general building materials, the wholesale price index of residential building materials showed a decline in March, dropping to 227.0 from 227.4 in February.

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SECURITIES TRANSACTIONS: Sales and purchases of securities between Canada and other countries in February declined from January totals, sales amounting to \$17,600,000 and purchases to \$18,300,000. The purchase balance of \$700,000 in February transactions compares with a sales balance of \$1,900,000 in January.

Total volume of trade for the first two months of the year exceeded the volume for the corresponding months last year, sales and purchases amounting to \$75,800,000 as compared with \$60,400,000. Total transactions during these two months gave rise to a cumulative sales balance of \$1,200,000 in contrast to purchase balances of \$800,000 in 1949 and \$500,000 in 1948.

Sales and purchases with the United States in February were lower than in January and again resulted in a sales balance, sales amounting to \$15,900,000 and purchases to \$15,600,000. Net sales at \$300,000 compare with \$3,500,000 in January.

The volume of trade with the United Kingdom increased in February, sales rising to \$800,000, while purchases remained unchanged at \$2,300,000. As a result, the purchase balance existing in previous months declined to \$1,500,000. Sales and purchases with other countries increased over January, but resulted in the same sales balance of \$400,000 as in January.

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ICAO ASSEMBLY IN MONTREAL: The Fourth Session of the Assembly of the International Civil Aviation Organization will be held in Montreal, Canada, commencing May 30, 1950. Its duration is expected to be about three weeks. The Sixth Session of the ICAO Legal Committee will be held at the same time.

20 P.C. RISE IN VALUE OF EXPORTS TO U.S.

SHIPMENTS TO U.K. ARE DOWN: Featured by a further marked increase in the value of shipments to the United States, the value of Canada's domestic exports to all countries in March rose five per cent over the corresponding month last year, showing the first advance in the total, as compared with a year earlier, since August, the month before currencies were revalued. Lower totals were recorded in shipments to the United Kingdom and most other Commonwealth countries, and to Latin America, but there was a rise in the month in the aggregates to foreign countries in Europe and Asia. As a result of these opposite trends exports to the United States amounted to the unprecedented ratio of over two-thirds of the total.

Exports to all countries in the month were valued at \$228,200,000 as compared with \$199,500,000 in February and \$216,800,000 in the corresponding month last year. In the first quarter of this year the value was \$648,900,000 as compared with \$658,800,000 in the like period of 1949.

DOMESTIC EXPORTS TO U.S.

Domestic exports to the United States were valued at \$154,311,000 in March as compared with \$122,418,000 in March, 1949, a gain of 27 per cent. This compares with an increase of 21 per cent in February, and a gain of 13 per cent in January. The aggregate value of exports to the United States in the first quarter of this year was \$414,008,000 as compared with \$345,150,000 a year earlier, an increase of approximately 20 per cent. Price changes reflecting the premium on United States exchange have contributed to this increase, but its size indicates a substantial rise in the volume of exports.

In trade with the United States, seven of the nine main commodity groups had higher export values in the month, the exceptions being agricultural and vegetable products and miscellaneous commodities. In the first three months of the year, these two groups, as well as iron and products, were also lower in value. Largest gain both in the month and quarter was recorded by the wood, wood products and paper group, but substantial gains were also shown by the animals and animal products, non-ferrous metals and non-metallic minerals group.

Exports to the United Kingdom were again lower in March, being valued at \$30,120,000 as compared with \$39,498,000 in the same month last year, and the first quarter total fell to \$109,101,000 from \$139,435,000 a year earlier. There were declines in March in the exports of commodities in all main groups except non-metallic minerals and chemicals -- two of the smaller groups in value. These two groups, and animals and animal products, were also higher in the quarter.

Exports to the rest of the Commonwealth as a whole were lower both in the month and quarter. The main decreases were in shipments to the Union of South Africa and India. Exports to Australia were slightly higher in the month but lower in the quarter. Shipments to the Union of South Africa in March were valued at \$1,432,000 compared with \$4,896,000 a year earlier, and in the quarter at \$8,286,000 compared with \$12,017,000. The month's shipments to India were valued at \$1,932,000 compared with \$6,495,000, and in the quarter at \$3,509,000 against \$23,989,000. Exports to Australia amounted to \$2,707,000 as against \$2,606,000, and in the quarter, \$7,289,000 as compared with \$7,908,000.

Shipments to the Latin American countries were again reduced in the month, amounting to \$7,706,000 compared with \$9,778,000 a year earlier, exports to most principal markets except Colombia and Venezuela being lower. In the quarter, exports to the group were off to \$21,215,000 from \$26,442,000, Mexico and Venezuela being the principal exceptions to the decline.

TO FOREIGN COUNTRIES

Exports to foreign countries in Europe and other parts of the world moved up slightly in March. Purchases by the European group rose to \$11,051,000 from \$9,205,000, but were down in the three months to \$34,843,000 from \$43,103,000. Shipments to other foreign countries in the month amounted to \$10,152,000 compared with \$8,397,000, and were practically unchanged in the quarter at \$23,947,000. Exports to Belgium and Luxembourg, the Netherlands, Norway, Spain, Israel and Japan were higher in the month and quarter.

The wood and paper products group -- largest of the nine main commodity classifications -- showed a marked increase both in the month and quarter. In March the group total was \$82,300,000 as compared with \$69,700,000, and in the three months, \$222,800,000 compared with \$199,200,000. Most of the gain both in the month and quarter was in the exports of planks and boards and newsprint paper.

Sharpest drop among the main groups was shown by the iron and products section, which fell to \$19,700,000 from \$27,500,000 a year earlier, decreases being shown in most main items except pigs and ingots, and passenger cars and trucks. In the quarter, the group total was off to \$53,400,000 compared with \$74,200,000.

Agricultural and vegetable products as a group declined in March to \$45,300,000 compared with \$47,600,000 last year, main decreases being in wheat, rubber and products. The total for the quarter fell to \$131,400,000 from \$155,600,000.

DEVELOPMENT OF NORTH ATLANTIC ALLIANCE

the fear that co-operation with the West might mean the gradual infiltration of Western ideas and news through to their own people. This would be a development which the Soviet dictatorship could not easily contemplate.

"The political results of this decision by the USSR are all too familiar. They are to be seen on every hand in the great political problems of the post-war period which remain unsettled. They are to be seen in the Soviet Union's attempt to frustrate all common efforts for the restoration of peace and prosperity. It is only with the greatest difficulty, for example, that we have been able to make use of the United Nations, and in any circumstances where the interests of the USSR are involved and where the Russians can make their veto effective, we are not able to make use of the United Nations at all. Similar efforts have been made to forestall the economic revival of Western Europe by aid from this continent. The attempt to organize that aid through United Nations machinery was almost completely defeated. When an alternative plan - the Marshall Plan - was developed by the Government of the United States in a very far-seeing, statesman-like policy, the USSR did its best to prevent that policy having effect. On every political front, therefore, we have to deal not only with the complex problem of the post-war period but also with the deliberate efforts of the Russian communist Government to prevent us from solving these problems.

SOCIAL CONSEQUENCES

"The cultural and social consequences of Soviet policy in foreign affairs since the war are equally dangerous. We have seen the Russians, for example, engaged upon the task of whipping up the ideological war between Communism and Capitalism, one of the most vicious forms of war mongering. If we have any doubt as to the extent to which this policy is deliberate, we have only to read the writings of Soviet leaders themselves. A recent statement of Soviet aims was made, for example, in a special article in PRAVDA by Lavrenti Beria, the head of Russia's vast internal security organization. On the occasion of Stalin's 70th birthday, he wrote as follows:

Stalin has laid down a programme of action for Communists. They must (1) exploit all differences and contradictions in the bourgeois camp; (2) take concrete action to unite the working classes of the economically advanced countries with the national liberation movement in the colonies and dependent nations; (3) complete the struggle for unity of the trade union movement; (4) take active measures to bring together the proletariat and the small peasants; (5) support Soviet rule and disrupt the interventionist machinations of Imperialism against the Soviet Union, bearing in mind that the Soviet Union is the base of revolutionary movement in all countries.

"This is a programme for stirring up trouble in this country and elsewhere in the Western World. It is being carried out in many ways - by the Cominform, by communist parties in all the Western States, and often by secret agents, as we have seen in our own country. The communist parties of the Western States have now been finally unmasked - indeed have unmasked themselves - as frank and avowed adjuncts of the Soviet communist parties, and we have witnessed the strange spectacle of political leaders in Western States announcing publicly that they would never defend their country against the Russians, that on the contrary they would welcome the arrival of Soviet invaders.

"A further social consequence of Soviet policy since the war is that we live in an atmosphere in which facts are continually and systematically distorted and falsified. The leaders of the Russian State feel, for example, that they must continually tell their own people and as many of ours as they can persuade to listen, that the countries of the West are corrupt, semi-feudal societies in which social injustice and inequalities amongst the classes are prevalent. Actually, however, there could be no greater misrepresentation of the facts than this. We know that in all the democracies of the West a general levelling-up process has been going on. To a greater or lesser degree in every Western community the larger inequalities in income and privilege are being removed and systematic efforts are being made to distribute purchasing power as equally as possible in the community; at the same time retaining the economic incentive that lies at the base of our way of life. We do not pretend for a moment that we have achieved or are even trying to achieve a complete equality of economic status - but we are eliminating the extremes of wealth and poverty and we have gone a long way towards creating equality of economic opportunity.

NEW CLASS STRUCTURE

"As far as we can see from information which we get concerning the USSR, exactly the opposite process is taking place there. A new class structure is emerging within the Soviet State. There is a new ruling class in Russia which enjoys privileges which you would not for a moment think of conceding to any of your Members of Parliament or Cabinet Ministers or senior Civil Servants. The Army is a privileged group, and we find that within the Army there is an officer class with a status which we would regard as feudal and old-fashioned. Nowhere are class distinctions so immediately apparent as in conditions of travel. There are for instance four classes on Russian river steamers, and the lowest of these classes, the hard class, has a hardness to which we would not subject even our most humble traveller.

"There are signs also that other forms of discrimination have emerged in the Soviet

Union. There are evidences, for example, of privilege on the basis of race. The great Russians are taking the place of leadership in the Soviet State. It is against the law to be a Zionist in the USSR. In other fields we find the right to higher learning is becoming more and more the privilege of the governing class. It is no longer true that Soviet education is free and compulsory for all. In February, 1947, a number of amendments were made to the Soviet Constitution. Article 121 concerning education decreed that only primary education should be free and compulsory. The grades above that require tuition fees which are relatively high for the average family. Relatively, education in the United Kingdom or Canada is far more democratic today than it is in the USSR.

"It is interesting also to notice the way in which differences in income have gradually appeared and increased. In addition to actual income differences, we must add the perquisites which go with better jobs - automobiles, chauffeurs, good apartments, free vacations, and so on. The Communists claim this is just a phase of Communism, but in fact the new class is becoming self-perpetuating because it can accumulate wealth, property and privileges and pass them on to their children.

LABOUR IN SOVIET STATE

"We are continually being misled also about labour in the Soviet State which is supposed to be a state organized primarily for the workers. No trade unions in Canada would for a moment accept the status which has been assigned to trade unions in the USSR. They have been transformed into an instrument for transmitting to the workers' Government decisions about conditions about work and pay. Piece work payment is now the normal condition in the Soviet Union. What our workers denounce as the 'speed up' in the factories is glorified in the USSR under the name of the Stakanovite Movement. Piece work and the 'speed up' are labour conditions which we regard as completely out of date.

"Another example of wilful distortion which we hear from Soviet sources is about Colonialism. Anyone who knows anything about the West realizes that a great transformation is taking place in the status of colonial peoples. The colonial empires of the 19th century are rapidly being transformed into free self-governing communities, and a whole new era has been opened in the relationships between industrialized nations and the economically less developed parts of the world. The Communists, however, continue to talk about capitalist Imperialism, at the same time masking behind the Iron Curtain one of the most vicious imperialist regimes that has ever been known in history. To Moscow, freedom in a foreign communist state can never mean freedom from Russian domination.

"Still another aspect of the problems which arise in our cultural relations with the USSR is the cynical use which is made by the leaders of the Soviet Union of well-meaning but often misguided people in other lands as instruments of their propaganda. Very often these people act from highly idealistic motives and accept uncritically the account which the Russians themselves give of conditions in their own country. The closest example we have of this sort of activity is, of course, the campaign which is now being carried on by the Canadian Peace Congress. Many of the members of this movement may be inspired by high motives, but I wonder if they ever stop to think of the full implication of the things which they are led to do. Let us take for example the recent visit to the Soviet Union of the leader of the Canadian Peace Congress, Dr. James Endicott. I have before me two excerpts from Soviet newspapers giving quotations of statements about Canada which Dr. Endicott made in Moscow during March. I will read you these statements.

1. 'Moscow is peace... Across the ocean, in our Canada and America, everything is different. Instead of new apartment houses, aerodromes and military bases are built there. The headlines of the newspapers shout about war. Thousands of dirty booklets praise the future war, war looks out from the paintings of painters and from the films.' (Pioneerskaya Pravda, March 31, 1950)

PRESS CONFERENCE REPORT

2. 'If a Canadian invites friends to his home and if moreover he refers in a positive manner to the Soviet Union, noting, for example, that great care is taken of children in the Soviet Union, then the police have the right to declare that this is 'defence of Communism' and to drive this Canadian out onto the street and seal off his apartment. He will not even be able to complain about these actions by the police in court.' (Report of Press Conference published in all Moscow papers, March 9, 1950)

"A man, who, professing honest motives and high ideals, goes amongst strangers and maligns his country with this kind of falsehood is beneath contempt. In a communist society he would also be beneath the ground.

"The process of misrepresenting and distorting the facts within the Soviet Union is made more efficient by the systematic prevention of personal contacts across the iron curtain. It is virtually impossible for a private citizen of the USSR to leave his country and we know from experience that the Soviet authorities will even separate man and wife and compel divorce rather than let one of their citizens join the other partner of a marriage outside the Soviet Union.

"There are many other examples of this cultural iron curtain - this social savagery. At the last Session of the Assembly of the United Nations a delegate of the United States

gave a documented account of systematic efforts which had been made by Americans both public and private in the post-war period to arrange contacts between Americans and Russians. Suggestions had been made for exchanges of students, for visits to the United States by prominent scientists and artists. Efforts had been made to induce the Red Army Choir or the Russian ballet to visit this continent. None of these efforts bore fruit. The normal methods by which peoples grow to know each other and trust each other by personal contacts are systematically prevented. In the immediate post-war period, we ourselves tried in a small way to co-operate with the USSR by exchanging information about techniques in the North country. We made available some unclassified information about agricultural and other techniques in Canada and received some interesting information in return. But soon after the war, the curtain was rung down in Moscow on our efforts to establish even the minimum contact between civilized states.

"Having made this analysis of the situation we must now ask ourselves what we can do about it. We may at first be tempted to think that we should retaliate in kind. I doubt, however, whether this is the proper approach for us. Ours is a free society and even if we wanted to, we would find it difficult to apply adequate restrictions because they would be contrary to the principles by which we live. I am sure that it is in the interests of our society that we should have only those regulations which are necessary for the security of the State and no more.

CONSTRUCTIVE COURSES

"Since we cannot and will not follow the Russians in their efforts to widen and strengthen the iron curtain, we must look for other more constructive and hopeful courses of action. I do not suggest that any of them will pay immediate dividends, but I am sure there are a number of things which we can do. We can in the first place recall continually to our minds and to our confidence the warm-hearted, lovable, hospitable, courageous Russian people whom we came to know during the war and with whom I am sure we can settle our differences once it is possible to make adequate contacts with them. We must also continue our efforts to resolve the problems that divide the Government of the USSR from the Governments of the free democracies. We must continue these efforts by every possible method of negotiation, conference, public or private discussion, meetings at any level, low, middle or high. In the meantime however, we must refuse to be led astray by empty words of those who talk of peace but who make no other proposal for safeguarding it except to recommend that we unilaterally disarm. We must not be fooled, ever, by any phony peace overtures.

"It is also necessary for us to proceed as rapidly as possible with the development of the North Atlantic Alliance. So far, we have

been primarily concerned with the defensive military arrangements under the Treaty, and it has been right and proper that our first concern should be with our ability to resist aggression. In the long run, however, we shall have to make the Treaty into something a great deal more basic than simply a military alliance. All members of the North Atlantic group are pledged by the Treaty, and especially by Article 2, to broaden the basis of their association, by co-operation in the solution of economic problems. In the long run, our ability to stand fast against the attacks of International Communism will depend on our success in strengthening the economic and social fabric of the free world. I hope that the North Atlantic Treaty will become a powerful instrument for this purpose. I am glad that its members will have the opportunity to consider the growing responsibilities and commitments of the Alliance when the North Atlantic Council meets in London during May...."

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NATIONAL NOTES

The RCAF announced on May 1 that two non-commissioned officers left London, England, on April 27 for Prague to occupy the two posts on the staff of the Air Attaché left vacant by the expulsion of the previous incumbents. The new appointees are Sgt. Ernest Maguss, of Mundore, Alta., and LAC C.L. Rolfe, of Bishop-ton, Que.

The Secretary of State for External Affairs, Mr. Pearson, said at the week-end that he would leave by plane about next week-end to attend the North Atlantic Council meeting in London.

His Excellency the Governor General, Viscount Alexander, will open the Canadian Legion's four-day 25th Annual Convention at Winnipeg on May 24. One thousand veterans are expected to participate.

Integration of Canadian and United States defence production facilities was proposed, along with other co-operative measures, by committees representing the Chambers of Commerce of both countries, meeting at Asheville, N.C.

A general economic survey of Newfoundland, which will give special consideration to world market analysis, has been started.

Seven candidates, two of them women have been nominated to contest federal by-elections in the ridings of Toronto-Broadview and Hamilton West on May 15.

Most areas of Canada went on Daylight Saving time last week-end. The Province of Alberta, however, has a law making continuation of standard time mandatory.

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The Minister of Resources and Development, on May 2, commended to all Canadians the objectives of Tourist Service Week, which is being held from May 1 to May 8 under the sponsorship of the Canadian Tourist Association.

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Mr. S.J. Chagnon of Montreal, has been appointed Vice-Chairman of the Agricultural Prices Support Board. For the last five years he has been Vice-Chairman of W.H. Perron, Ltd.

PRODUCTION

Production of Canada's chemical and allied products industries in 1948 was the highest attained in any peacetime year, according to final summary figures issued by the Bureau of Statistics. The year's value totalled \$580,000,000 as compared with the preliminary estimate of \$554,000,000 for the year and \$450,000,000 in 1947, a gain of 29 per cent. About one-half of this rise was due to the inclusion for the first time of the vegetable oils industry.

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All-Canada output of crude petroleum and natural gasoline in January this year amounted to 1,926,867 barrels as compared with 1,782,856 in the preceding month and 1,356,483 in January, 1949. Two years ago the January output was 777,639 barrels, the successive annual increases being nearly equal.

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Production of sulphuric acid in Canada in 1949 amounted to 705,000 tons -- a new peak total -- as compared with 679,000 in the preceding year.

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Landings of sea-fish in Canada in March, excluding Newfoundland, amounted to 23,456,000 pounds, a decrease of 1.5 per cent from last year's corresponding total of 23,808,000 pounds. The total landed value in the month -- \$1,142,000 -- was 6.2 per cent below the March, 1949, value of \$1,217,000.

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Egg production in Canada this year has so far been running close to the level of 1949. Net production of eggs in March amounted to an estimated 34,813,000 dozen as compared with 34,595,000 in the corresponding month last year.

Milk production in Canada is being maintained at comparatively high levels. The estimated quantity produced in February amounted to 861,244,000 pounds, an increase of 12,000,000 pounds over the same month last year.

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The value of production of the Canadian fur goods industry in 1948 reached an all-time record total of \$66,384,085, showing an increase of 15.4 per cent over the 1947 figure of \$57,541,628, and 15 per cent above the previous peak of \$57,737,516 in 1946.

CANADA AND EQUAL PAY FOR WOMEN: Eleven countries have informed the International Labour Office that they would support the adoption of an international convention designed to guarantee equal pay for women. (Austria; Belgium; Chile, Cuba, Czechoslovakia, France, Israel, Mexico, Philippines, Poland and Turkey).

The question of equal remuneration for work of equal value is slated for a first discussion at the ILO's general conference next June at Geneva. Governments made known their position on the equal pay problem in response to an ILO questionnaire which was sent to the Organization's sixty member states.

Nine governments have gone on record in favour of the adoption of a less binding recommendation. (Argentina, Canada, India, Luxembourg, Netherlands, Pakistan, Sweden, Switzerland and Syria). Luxembourg favoured a recommendation and added that it would not oppose a general convention if the Benelux countries and parties to the Brussels Treaty agreed to one. The Netherlands noted that it wishes to await the outcome of the June discussion before deciding finally on the form the regulations should take, but expressed a preference for a recommendation.

LABOUR FORCE 5,108,000: Canada's civilian labour force in March this year totalled 5,108,000 persons, including 101,000 in Newfoundland, as against 4,899,000 in March last year for the nine older provinces only, according to a preliminary summary of results of the quarterly labour force survey by the Bureau of Statistics covering the week ended March 4. Excluding Newfoundland, the civilian labour force was 108,000 greater than in March, 1949.

Of the 5,108,000 in the labour force in March, 4,644,000 were at work, 152,000 had jobs but were not at work because of sickness or other reasons, and 312,000 were without jobs and seeking work.

The quarterly survey is taken by personal interviews of about 30,000 households in over 100 sample areas across the country, and covers persons 14 years of age and over.

RESERVES OF GOLD AND U.S. DOLLARS RISE

INTERNATIONAL ACCOUNTS. Canada's current account surplus with all countries in 1949 amounted to \$180 million, down sharply from \$452 million in 1948, but nearly four times the surplus of \$47 million in 1947, according to the preliminary statement on the Canadian balance of international payments for 1949 released by the Bureau of Statistics. The smaller current surplus last year was due mainly to a reduced export balance on commodity account, but trends were also generally adverse in other current transactions.

Canada's official reserves of gold and United States dollars at the end of 1949 amounted to \$1,117.4 million compared with \$997.8 million a year earlier and \$501.7 million at the end of 1947. Last year's rise of U.S. \$119.3 million was less than the current account surplus as the result of small net outflows of capital leading to the use of reserves in 1949. This contrasts with 1948 when the current account surplus was \$452 million but the official liquid reserves rose \$496 million due to capital movements.

Most of the change in last year's current account surplus occurred in transactions with the United States, Canada's current deficit with that country expanding sharply to \$594 million from \$393 million in 1948. The greatest single factor in this increase was the growth in the value of imports, which rose \$102 million or about five per cent, reaching a level not far below that of the peak year 1947 when prices were lower. The rise in import value over 1948 was due to a combination of net price increases and larger volume, although the volume continued below 1947. At the same time Canadian exports to the United States continued to have an exceptionally high value, with a net increase for the year of \$13 million.

Income payments by Canadian companies to parent companies and other shareholders in the United States were \$55 million greater in 1949

ERA OF UNPRECEDENTED DEVELOPMENT. Discoveries of oil in Alberta, and of iron and titanium in Labrador have opened for Canada a new era of economic development without precedent, the Prime Minister, Mr. St. Laurent, said in an address at the 50th anniversary of the foundation of the Board of Trade and Chamber of Commerce in Granby, Que., on April 30. The following is an excerpt from his speech:

"More recent oil discoveries in Alberta can make this country an exporter of this product of which we produced heretofore but a small portion of our requirements.

"Our annual oil imports from the United States have always represented a heavy expenditure, but the day is not far off when our own oil fields will enable us to save mil-

than in 1948, while net receipts from tourist expenditures declined \$48 million due to a sharp rise in the expenditures of Canadian visitors to the United States and only a slight increase in American tourist expenditures in Canada.

While the current deficit with the United States increased, the current account surplus with all overseas countries declined last year to \$774 million from \$845 million in 1948. Current surpluses with the United Kingdom and with the non-sterling overseas countries were both less than in 1948, but the surplus with other sterling area countries was slightly higher.

Transactions with the United Kingdom resulted in a current surplus of \$443 million as against \$486 million the previous year. The reduction of \$43 million was the product of divergent trends in receipts and payments, the former declining slightly and the latter showing a slight rise. The decline in receipts was mainly in such items as shipping receipts and transfers of immigrants' funds, while the principal change in payments was an increase in Canadian imports from the United Kingdom.

With the rest of the sterling area there was a rise in the current account surplus to \$135 million from \$129 million in 1948. This slight gain was due mostly to a larger total of exports, which were maintained by exceptionally high shipments of certain commodities like wheat and railway equipment to India and the Union of South Africa.

Reduced receipts from exports to Continental Europe and lower revenues from freight and shipping services accounted for almost all of a decline from \$230 million in 1948 to \$196 million in the current surplus with other overseas countries. Total current payments to this group of countries as a whole were moderately lower, most of the decline being in imports from countries other than the E.R.P. group.

lions of American dollars each year. This will be of tremendous advantage in enabling us to divert dollars thus saved to other purchases in that country.

"Iron ore discoveries in the Labrador region can make this country before long one of the most important suppliers of this mineral in America...."

FARM INCOME DECLINES. Net income of Canadian farmers from farming operations last year declined for all Canada (excluding Newfoundland) from the record level attained in 1948, but was still substantially above all other years. In contrast with the overall decrease, net income for five provinces was above 1948.

THE WEEK IN PARLIAMENT

BUDGET APPROVED: The House of Commons gave approval in principle to the Government's \$2,400,000,000 Budget on the evening of April 27.

In successive votes of 129 to 43 and 167 to 12, no-confidence motions proposed by the Progressive Conservative and C.C.F. parties were defeated and the main budgetary motion carried without division.

The Progressive Conservative motion would, in part, have had the House express regret, that government policies made higher taxes inevitable, included no attempt to reduce expenditure and contained no programme for national development.

The C.C.F. motion would, in part, have had the House express regret that government policies indicated that the Government was prepared to accept the present level of production as adequate for Canadians and thus was placing a limit on services and security of the people.

OUTLAWING OF COMMUNISM: The Government has no present intention of outlawing Communism, it was indicated by the Prime Minister, Mr. St. Laurent, and the Secretary of State for External Affairs, Mr. Pearson, in the course of an all-day debate in the House of Commons on May 2 on a resolution introduced by the Progressive Conservative Leader, Mr. Drew, which read as follows:

"This House is of the opinion that appropriate legislation should be introduced so that Communist and similar activities in Canada may be made an offence punishable under the Criminal Code."

The following are excerpts from the speeches of Mr. Drew, Mr. St. Laurent and Mr. Pearson:

Mr. Drew.... "Peace or a breakdown in international diplomacy depends on the conviction in the minds of the thirteen men in the Kremlin that the democracies really mean business...."

"If within the next few weeks we in Canada show that in our own domestic activities we intend to deal with this treacherous force, that will have its effect, just as the action in Australia, South Africa, Malaya, India and other parts of the world has had its effect. It is because I believe not only that action in regard to this evil force is long overdue, it is because I believe that this criminal conduct should be dealt with as criminal conduct, and also because I believe that a strong gesture by the elected representatives of the people of Canada may have its effect that I move.... (and he read his motion).

Mr. St. Laurent.... "Labour unions in Canada are responsible democratic organizations and I feel sure that a large number who have no leaning whatsoever toward Communism or any of its affiliated isms would have resented any attempt by legislative authority and the police

to determine how their unions should be officered and who would receive votes at their elections. I think that at the present time we all have great reason to be satisfied with the autonomous purges that the labour movement of Canada has carried out in its own ranks. There are laws on our statute books, laws in the Criminal Code, which are sufficient, if applied, to deal with all overt acts directed against the security of the state...."

Mr. Pearson.... "Has Communism increased in this country since that section (Section 98 of the Criminal Code) was amended? My answer would be: No, it has not increased, it has decreased. I suggest that one reason for that is that Canada is a better country to live in now than it was in 1936. If we can continue to make it a better country in which to live I hope I shall not have to restore Section 98,

COMMUNISM DECLINING

"But what has increased is the imperialistic might of the U.S.S.R. and the danger of imperialistic aggression from that source. It is difficult to exaggerate that danger. At the same time I suggest that we should not be misled by a consciousness of that danger into taking action in respect of domestic policies which would not be desirable otherwise. I suggest that we use the laws that we have when they are required to be used and they will be found to be adequate. I hope we shall refuse to throw overboard our liberty, remembering that Communism is declining in free countries, including Canada. It is declining in our country because it is being beaten by the good sense, the loyal patriotism, the belief in liberty under the law of our people; by the maintenance of prosperity and the eradication of social and economic injustices.

"That in my belief is the way to defeat the domestic menace of Communism. Let us then continue to follow that course which has already served us so well until it is clear, as I do not think it is now, that another course is required to accomplish the purpose which we all have in mind--the eradication of the communist menace from this country...."

C.C.F. Party spokesmen also opposed the resolution which was not disposed of at the adjournment hour.

POSITION IN COMMONWEALTH: There is no justification for a statement that Canada is dissatisfied with her position in the Commonwealth, the Prime Minister, Mr. St. Laurent, said in the House of Commons on May 2 in answering a question by Mr. George Drew, Progressive Conservative Leader:

Mr. Drew: In view of a Reuter's dispatch of yesterday's date from Capetown, in which the Prime Minister of South Africa stated as a positive fact that Canada was dissatisfied

with her position in the Commonwealth, will the Prime Minister take the appropriate steps to remove any uncertainty on this score?

Mr. St. Laurent: I do not think it requires any deliberation, Mr. Speaker, to be able to state that there is no justification. I know of for any such statement to be made by anyone. The dispatch also referred to dissatisfaction with the King's title. That must be based upon some resolution or motion that was before this House a couple of years ago, pointing out that His Majesty's title was no longer in strict accordance with the facts. No dissatisfaction was expressed with the title, but a statement was made here some time ago that it no longer corresponds with the present situation in the Commonwealth because the title does not include Ireland. At that time it was said that when it was modified it would probably not be appropriate for Northern Ireland to be specially mentioned in the title and the other units of the Commonwealth lumped together under a general description; and that possibly when consideration was being given to any change in the title there would not be merely the elimination of the reference to Ireland. I know of nothing else that could be any semblance of justification for the story that was shown me last night by a member of the press gallery.

AID FOR FLOOD VICTIMS: Federal aid for flood-stricken Manitoba was indicated in the House of Commons debate on May 1, and in a statement on April 28 by the Prime Minister, Mr. St. Laurent, in which he said:

"Hon. members can be assured that it is the desire of the Government to treat every part of the country in the same way. Should there ever be in any part of the country the sort of disaster there was in the Fraser river district, the people of that section would be entitled to expect that they would be treated in the same way as the residents of the Fraser River Valley were treated."

Settlers, soldiers and provincial and municipal authorities have been joined for a week in fighting the rising waters of the Red River, which on Sunday last reached a peak of 46.18 feet at Emerson, on the Minnesota-Manitoba border, and ravaged other municipalities. Winnipeg, itself menaced, became a relief centre for many evacuees from the Morris district. The subject was recognized by the Speaker as one of urgent public importance when it was introduced on an adjournment motion by Mr. René N. Jutras (Provencher) on May 1.

Virtually all the Manitoba members joined in the debate, and almost unanimous belief was expressed that the flood is a national emergency which calls for federal aid and compensations. The Minister of Justice, Mr. Garson, spoke for the Government. A clearer picture will be needed before the Government can indicate what federal assistance will be forthcoming.

The Premiers of Ontario and Saskatchewan have offered assistance to Manitoba.

THE PROVINCES

Newfoundland has finished her first year as a Canadian Province some \$2,800,000 in the red, but when payments into and out of the new Province's pre-union surplus were included there was an overall surplus of \$2,400,000. Next year a deficit of \$9,000,000 is estimated. Premier Joseph Smallwood presented the Budget on April 25.

Huge ditching machines on May 1 gouged out trenches at three locations between Edmonton and Regina, launching construction of the \$95,000,000 interprovincial pipeline which will carry Edmonton district oil to Eastern markets, 1,200 miles distant.

An interesting ceremony was held in St. Thomas, Ontario, on May 4, when two bronze tablets - dedicated to the memory of the late Dr. James H. Coyne and Professor George M. Wrong - were unveiled. The tablets have been erected by the Department of Resources and Development on the recommendation of the Historic Sites and Monuments Board of Canada.

Gérard Lacroix, K.C., has been elected President of the Quebec Bar Association. He succeeds Louis-Alphonse Pouliot.

SYDNEY CONFERENCE DELEGATION: The Secretary of State for External Affairs, Mr. Pearson, announced on May 3 the composition of the Canadian delegation to the meeting of the Commonwealth Consultative Committee which opens in Sydney, Australia, on May 15.

Delegate, The Honourable R.W. Mayhew, Minister of Fisheries; Alternate Delegate, Major General the Honourable L.R. LaFlèche, High Commissioner for Canada in Australia; Principal Adviser, D.V. LePan, Department of External Affairs; Advisers, N. Perry, Department of Finance; B.I. Rankin, Department of Trade and Commerce; and G.K. Bouey, Bank of Canada.

A secretary to the delegation will be provided from the Office of the High Commissioner for Canada in Australia.

Mr. Mayhew was a delegate to the Commonwealth meeting on foreign affairs held at Colombo, Ceylon, in January, which recommended the establishment of the Commonwealth Consultative Committee. The Principal Adviser to the delegation, Mr. LePan, participated in the official discussions on economic affairs held at Colombo while the ministerial talks were in progress.

At Sydney the Commonwealth Consultative Committee will consider broadly the economic needs of South and South-East Asia. A number of countries in that area are under-developed and are in need of capital equipment and technical assistance.

Several United Nations organizations are already concerned with the needs of South-East Asia. The work of the Commonwealth Consultative Committee will be co-ordinated with the work of these organizations.

The Canadian group leaves Ottawa this week. While it is not, of course, a "trade mission", naturally it is hoped that Canadian contacts with South-East Asia through the Commonwealth Consultative Committee and other organizations will lead eventually to increased trade.

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SETTLERS FOR NOVA SCOTIA: A joint provincial-federal plan for the settlement of agricultural immigrants on farms in Nova Scotia was announced on May 3 by the Nova Scotia Minister of Agriculture and the Minister of Citizenship and Immigration.

The first group to be settled will be Netherlands farm families who have been working for Canadian farmers for at least one year. They will acquire farms in the Antigonish and Inverness districts of Nova Scotia through the assistance of the Provincial Department of Agriculture, the Extension Department of St. Francis Xavier University acting in behalf of the Catholic Immigrant Aid Society, and the Department of Citizenship and Immigration, Ottawa.

Suitable farms are now being selected by representatives of the Nova Scotia Land Settlement Board and the Settlement Service of the Immigration Branch, Department of Citizenship and Immigration. Loans will be made to the settlers at low rates of interest, through facilities provided by the Nova Scotia Land Settlement Board.

The Nova Scotia Land Settlement Board will lend the settlers an amount equal to two-thirds of the purchase price of the land and fifty per cent of the cost of livestock and necessary farm equipment. The remainder of the cost of establishment will be provided for by the settlers and interested parties.

The families to be settled this year have been selected jointly by the Settlement Service of the Immigration Branch and the Nova Scotia Land Settlement Board. The settlement of other groups of agriculturists in Nova Scotia is now under study.

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NOTES TO HUNGARY AND ROUMANIA: The Department of External Affairs announced on May 3 that on April 27 the Canadian Government presented notes to the Governments of Hungary and Roumania in connection with the disputes which have arisen over the implementation of the human rights clauses of the Treaties of Peace, signed by Canada with those countries. It was decided to present these notes in view of the recent opinion of the International Court of Justice that a dispute which is subject to the provisions for settlement of disputes contained in the Treaties of Peace does exist,

and that the Governments of Bulgaria, Hungary and Roumania are obligated to appoint their representatives to the treaty commissions. These notes drew to the attention of the Governments of Hungary and Roumania the advisory opinion of the International Court of Justice and assumed, in the light of this opinion, that the Hungarian and Roumanian Governments would now nominate their representatives to the treaty commissions and would further be willing to enter into consultation with the Canadian Government with a view to the appointment of the third members of the commissions.

As Canada has no diplomatic representative in Hungary or Roumania, the Canadian notes were presented by the British Ministers in Budapest and Bucharest. Similar notes were presented by the Governments of the United Kingdom, the United States and Australia to the Governments of Hungary and Roumania, and of Bulgaria as well. The Canadian Government did not present a note to the Bulgarian Government as Canada was not a signatory to the Treaty of Peace with Bulgaria.

The text of the Canadian note to Hungary reads as follows:

"His Majesty's Legation present their compliments to the Ministry of Foreign Affairs of Hungary and have the honour, on behalf of the Government of Canada, to direct the Ministry's attention to the Advisory Opinion on the interpretation of the Peace Treaties with Bulgaria, Hungary and Roumania which was given by the International Court of Justice on March 30, 1950.

"In the light of this Opinion, it is assumed that the Hungarian Government will now nominate its representative to the Peace Treaty Commission and will inform the Secretary General of the United Nations of the nomination in accordance with the United Nations General Assembly Resolution of October 22, 1949. It is further assumed that the Hungarian Government will also be willing to enter into consultation with the Canadian Government with a view to the appointment of a third member in accordance with Article 40 of the Treaty of Peace.

"As His Majesty's Legation informed the Ministry of Foreign Affairs in their note of January 5, 1950, on behalf of the Government of Canada, the Canadian Government has appointed Rt. Hon. Justice J.L. Ilsley, P.C. as its representative on the proposed commission."

The note to the Roumanian Government was similar to the note to the Hungarian Government.

On Monday, May 1, the Acting Permanent Delegate of Canada to the United Nations presented a note to the Acting Secretary General of the United Nations, transmitting copies of these two notes and requesting that copies be made available to all members of the United Nations and the International Court of Justice.



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WEEK'S EVENTS IN REVIEW

INVESTMENT OUTLOOK-1950. Private and public investment outlay for new construction and for new machinery and equipment in Canada is likely to be five per cent higher this year than in 1949, the Minister of Trade and Commerce, Mr. Howe, announced in a report tabled in the House of Commons on April 21.

In tabling in Parliament his report entitled, "Private and Public Investment in Canada - Outlook 1950", Mr. Howe indicates that public and private capital expenditures will probably reach a new high of \$3.6 billion in 1950, compared with \$3.4 billion last year.

New construction expenditures of \$2.3 billion will be 12 per cent higher than last year and will form the larger portion of the total programme. Outlay on machinery and equipment, on the other hand, is estimated at about \$1.3 billion or 5 per cent below 1949. Assuming little change in prices, percentage changes in physical volume should about correspond with those in dollar value.

Private investment, covering expenditures on business enterprises, private institutions and housing, is expected to reach \$2.5 billion, which is about the same as last year. Public outlay on capital goods is estimated at \$1.1 billion, an increase of 19 per cent over 1949. About half this amount will be made directly by federal, provincial and municipal governments and the balance is for government enterprises, institutions and housing.

Capital expenditures in 1950 for most of the main categories are expected to be above last year. Exceptions include agriculture, forestry and manufacturing, for which the estimated total is \$861 million, down 7 per cent. Even among these three groups, however, outlay is continuing at a very high level in spite of uncertain overseas markets for food-stuffs and some manufactured goods.

The largest capital expenditure gains over last year are in utilities and in the commercial, merchandising and service groups, particularly institutional services. The utilities group total is estimated at \$703 million, up 10 per cent.

Direct government expenditures also show an increase, to \$553 million, up 21 per cent.

Housing, estimated at \$785 million, is expected to be about the same as last year.

A second report, "Supply of Building Materials in Canada - Outlook 1950", indicates nearly all building supplies will be available in sufficient quantities to meet the demand. Certain building materials such as cement, clay, and gypsum products are still in short supply and are expected to remain so during most of the year.

Primary iron and steel construction items are expected to be in easier supply than in 1949.

The domestic supply of lumber should be about the same as last year although better

ADVISORY COMMITTEE ON PRIVATE OVERSEAS INVESTMENT

MR. ABBOTT'S STATEMENT: The Minister of Finance, Mr. Abbott, announced on April 20 the establishment of an Advisory Committee on Private Overseas Investment under the Chairmanship of Mr. Gordon R. Ball, General Manager of the Bank of Montreal. In addition to the Chairman, the Committee will consist of the following representatives of Canadian business and finance:

Mr. Prentice Bloedel, President and Treasurer, Bloedel, Stewart & Welch Ltd., Vancouver, B.C.

Mr. George W. Bourke, B.A., F.I.A. F.A.S., F.A.I.A., President, Sun Life Assurance Co. of Canada, Montreal, P.Q.

Mr. Charles J. Burchell, K.C., Bruchell, Smith, Parker & Fogo, Barristers, Halifax, N.S.

Mr. R.G. Cavell, Vice-President and Managing Director, Phillips Electrical Works, Ltd., Toronto, Ont.

Mr. C.E. Gravel, Treasurer and Director, The Canada Linseed Oil Mills Ltd., and President, Banque Canadienne Nationale, Montreal, P.Q.

Mr. J.D. Johnson, Chairman of the Board, Canada Cement Co. Ltd., Montreal, P.Q.

Mr. James Y. Murdoch, O.B.E., K.C., LL.D., President, Noranda Mines, Ltd., Toronto, Ont.

Mr. R.E. Powell, President, Aluminum Co. of Canada Ltd., Montreal, P.Q.

Mr. K.M. Pringle, President, The Dominion Securities Corp. Ltd., Toronto, Ont.

Mr. Rhys M. Sale, President, Ford Motor Co. of Canada, Ltd., Windsor, Ont.

In announcing the new Committee, Mr. Abbott stated that its establishment was the result of a recommendation made at the close of the Tripartite Discussions held in Washington last September. At that time representatives of the United States, the United Kingdom and Canada, in examining the trade and financial relations between the sterling and dollar areas, reached the conclusion that a freer flow of productive investment from North America to overseas

countries is one of the appropriate ways of dealing with the sterling-dollar disequilibrium. The three Governments agreed to explore every aspect of this constructive approach to the problem.

"The Canadian Government believes," said Mr. Abbott, "that if and to the extent that private Canadian funds can find suitable outlets for productive investment in overseas countries, a contribution will thereby be made to achieving a better balance in Canada's trade with both the sterling and the dollar countries." For this reason, the Government is seeking the advice and assistance of a Committee of private business and financial men who will be able to bring to bear on the problem a wealth of successful experience and sound judgment,

Mr. Abbott said that "Canadians know from their own experience that investment of outside capital brings with it skills and techniques which facilitate a more rapid development of our own natural wealth to the mutual advantage of ourselves and of those who make the investment."

It is believed that the Committee will, in the first instance, devote its attention primarily to a study of the obstacles, whether at home or abroad, which now impede the free flow of investment from Canada to overseas countries and of the steps that might be taken to eliminate or minimize these obstacles.

Mr. Abbott recalled that, following the Washington discussions, the United States Government referred the United States aspects of the general problem for investigation and study to the President's Committee for Financing Foreign Trade, a Committee of leading American industrialists and bankers under the Chairmanship of Mr. Winthrop W. Aldrich, President of the Chase National Bank. It is believed that in the course of their work the President's Committee and the Canadian Committee may wish to establish contact with a view to co-operation on any common problems which may arise.

* * * * *

WAR MEDALS DISTRIBUTION: The long and involved task of distributing more than 2,000,000 war medals and campaign stars to veterans of the Second World War has been almost completed, and only 4,000 application cards of 400,000 received have yet to be dealt with, authorities said.

To date a total of 1,934,930 medals and clasps have been despatched to 386,332 individuals, including legal beneficiaries of deceased veterans. Some 6,000 parcels have been returned as undeliverable, requiring

further search for new addresses.

Distribution of medals to next-of-kin of deceased veterans of the wartime Canadian Army (Active) has been fully completed, but some 10,000 decorations have yet to be mailed to relatives of Army men who died since the war and to beneficiaries of similarly deceased Navy and RCAF personnel.

Remaining applications are being dealt with as quickly as possible, the main holdup being difficulty in identifying claims and checking particulars.

UN INTERNE PROGRAMME: The Department of External Affairs announced on April 21 that the United Nations Student Interne Programme for the year 1950 would be held jointly at Geneva and at Lake Success. The Geneva programme is from June 26 to August 18, and the Lake Success programme from July 10 to September 1.

The purpose of this programme is to provide students interested in the field of international affairs with a working study of the organization of the United Nations and its Secretariat. Internes are assigned to posts in almost all sections of the Secretariat.

It is expected that one interne will be selected from Canada. Internships are open to graduate students or students in the final year of a degree course. They carry a value of \$300.00, equivalent to a payment of \$37.50 per week for eight weeks. Candidates must be prepared to meet all travelling expenses, whether to New York or Geneva, out of their own resources.

Details of the programme can be obtained from university registrars or from the Information Division, Department of External Affairs, Ottawa. Applications should be addressed to the Chairman, Canadian Interne Selection Committee, c/o the United Nations Association in Canada, 163 Laurier Avenue West, Ottawa, before May 8, 1950. The United Nations Interne Selection Board will review the applications submitted by all countries and will make the appointments soon after May 15.

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"ONTARIO" IN PACIFIC EXERCISES: The Canadian cruiser HMCS Ontario during its visit to the Hawaiian Island area between April 25 and May 9 will join a task group of U.S. Pacific fleet ships engaged in exercises while enroute to Pearl Harbor, Naval Headquarters announced on April 21. A simultaneous announcement was made in Washington.

The 8,000-ton cruiser, under the command of Capt. Hugh F. Pullen, R.C.N., of Oakville, Ont., will arrive in Pearl Harbor April 25 and will remain in port until April 29 when she will get under way to rendezvous with the task group, which is scheduled to arrive in Pearl Harbor May 9.

The Canadian cruiser left Esquimalt, B.C., April 18 and will return May 17. In addition to her normal crew of 500 officers and men, the Ontario has 200 New Entry seamen on board for training.

* * * *

DIEPPE COMMEMORATIVE PLAQUE: Canadian soldiers killed at Dieppe, or who later died of wounds received in the historic assault on the channel port, are to be honoured by a commemorative plaque to be erected in the Cathedral there.

Their names -- more than 900 of them -- are to be engraved on the memorial.

Together with other monuments already erected, the plaque will serve to keep alive the memory of men who, for eight terrible hours on August 19, 1942, fought one of the bloodiest and costliest battles of the war. Other memorials include a monument on Canadian Square on the beach, the Avenue of the Canadians, and Canadian Crossroads -- farthest point of the Canuck penetration. Even the city's coat of arms has been changed to include a background of maple leaves and a number of memorials to individual regiments have been erected.

* * * *

MINISTER OF LUXEMBOURG: The Department of External Affairs announced that on April 24 Mr. Hugues Le Gallais presented to His Excellency the Governor General at Government House his Letter of Credence as Envoy Extraordinary and Minister Plenipotentiary of Luxembourg to Canada.

Mr. Brooke Claxton, acting for the Secretary of State for External Affairs, was present. Mr. Howard Measures, Chief of Protocol, Department of External Affairs, presented Mr. Hugues Le Gallais to His Excellency the Governor General.

Mr. Le Gallais was born in 1896, is married and has one son. He was educated at the University of Liege, Belgium. From 1919 to 1936, Mr. Le Gallais was representative of the Luxembourg Steel Export Corporation in Paris, London, Saarbrücken, Tokyo and Bombay, and from 1937 to 1939 was Chief of Rail Export Division of that Corporation in Luxembourg. He was appointed Chamberlain to the Grand Duchess of Luxembourg in 1939.

Mr. Le Gallais became Minister of Luxembourg to the United States in November, 1940. He was a member of the Luxembourg Delegation to the United Nations Conference on International Organization at San Francisco in 1945; was Delegate to the United Nations General Assembly in 1946 and 1947; and was Alternate Representative on the United Nations Interim Committee of the General Assembly, 1948.

Mr. Le Gallais continues to be Minister of Luxembourg to the United States and will hold the post of Minister to Canada concurrently. He will reside in Washington.

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AGREEMENT WITH FRANCE: The Department of External Affairs announced on April 24 that, as a result of an agreement just concluded between Canada and France, on and after May 1, 1950, Canadian citizens who are bona fide non-immigrants and who are in possession of valid national passports will be exempted from the necessity of obtaining French visas when they visit France or Algeria for periods each not exceeding three consecutive months or Tunisia for periods each not exceeding two consecutive months.

French citizens who are bona fide non-immigrants coming to Canada and who are in

possession of valid national passports, will receive from the Canadian authorities in France visas, free of charge, valid for an unlimited number of entries into Canada during a period of twelve months.

It is provided in the agreement that its provisions do not affect the laws and regulations regarding immigration, temporary or permanent residence and employment or occupation of foreigners in force in Canada and in France.

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TEACHERS' SALARIES INCREASE: Annual average salary rates for teachers in the publicly-controlled schools of eight Provinces -- Quebec excepted -- showed an average increase of \$243 between 1947 and 1948, bringing the cumulative average rise since 1939 to \$835, according to the annual report on teachers' salaries and qualifications by the Bureau of Statistics. About 53,300 teachers were included in the 1948 record, of whom 39,200 were women and 14,100 were men.

Salary rates for all publicly-controlled schools averaged \$1,689 as compared with \$1,446 in 1947, and \$854 in 1949. Teachers in city schools had the highest average of \$2,324 as compared with \$2,120 in 1947 and \$1,613 in 1939, while teachers in one-room rural schools had the lowest average at \$1,383 against \$1,207 in 1947, and \$607 in 1939.

British Columbia had the highest average salary in 1948 for teachers in all publicly-controlled schools at \$2,249 (\$2,042 in 1947), followed by Alberta with \$1,896 (\$1,546), Ontario \$1,797 (\$1,514), Nova Scotia \$1,447 (\$1,241), Manitoba \$1,418 (\$1,304), Saskatchewan \$1,404 (\$1,265), New Brunswick \$1,185 (\$977), and Prince Edward Island \$1,011 (\$816).

The total number of teachers has been increasing since 1944, in keeping with enrolments. In that year there were 49,022 teachers in the eight Provinces. This had risen 11 per cent to 53,572 in 1948. It is estimated that the total may reach 65,000 by 1953 and that by 1960 the total for these Provinces plus Quebec may be 118,000, an increase of 58 per cent over 1944. So far the increase in staff has been least in Prince Edward Island, Saskatchewan and Alberta, the greatest in British Columbia where there has been a rise of 25 per cent in four years.

In 1944 and 1945 the proportion of men teaching in the public schools was at the low point of 20 per cent. Since then there has been a steady advance to 27 per cent in 1948, which is not far from the high level of 30 per cent in 1940. This trend is most marked in Saskatchewan where the percentage of men has risen by 10 since 1944, and least marked in Nova Scotia and New Brunswick where the increase was four per cent.

GRAIN STOCKS ARE LOWER: Total stocks of Canadian wheat, oats, barley, rye and flax were all lower at the end of March than on the corresponding date last year, according to the Bureau of Statistics.

Stocks of wheat at the end of March totalled 250,100,000 bushels as compared with 262,500,000 at the same time in 1949. The estimated amount held on Canadian farms at March 31 this year was 11,700,000 bushels. Of the 138,300,000 bushels in commercial positions, 58,800,000 bushels were held in country elevators, interior private and mill elevators and interior terminal elevators. A total of 47,400,000 bushels was in store at Fort William, while 5,200,000 bushels were held in Vancouver-New Westminster elevators.

The total stocks of oats on hand at the end of March this year amounted to 139,000,000 bushels, of which 124,800,000 bushels were in farmers' hands. At March 31, 1949 total stocks were 168,700,000 bushels with 156,700,000 held on farms. Total barley stocks this year were 66,100,000 bushels as compared with 79,300,000 last year. Stocks in farmers' hands were 46,300,000 bushels, considerably below last year's level of 63,100,000 bushels.

Rye stocks at March 31 were estimated at 10,400,000 bushels, almost 4,000,000 bushels of which were in farmers' hands. Last year at the same date, 16,600,000 bushels were on hand, with 7,700,000 bushels on farms. The quantity of flax in store this year was 6,800,000 bushels, with only 600,000 bushels in farmers' hands. Last year total stocks were 14,300,000 bushels, and farmers had 3,400,000 bushels in store on their farms.

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SEA-TRAINING PROGRAMME: A comprehensive sea training programme for citizen-sailors of the Royal Canadian Navy (Reserve) will be carried out this summer on both coasts and in the Great Lakes, Naval Headquarters announced on April 26.

With at least six ships allocated specifically for training purposes, an ambitious schedule of cruises and exercises has been drawn up for the approximately 2,500 Reserves and Naval Cadets who will train afloat during the summer months. The programme starts early in May and continues until the end of September.

In addition to their training at sea, instruction will be given Reserves and Cadets in RCN technical schools and training centres at Halifax and Esquimalt. Courses are available in communications, gunnery, torpedo-anti-submarine, engineering, aircraft maintenance, ordnance, medicine, supply and other subjects.

This instruction will enable Reserve men to qualify for the non-substantive ratings necessary for advancement in their respective branches.

SIX PROVINCES SIGN TRANS-CANADA HIGHWAY PACTS

MAY COST \$300,000,000: The federal Government, on April 24, signed agreements with six provincial Governments for the construction of the Trans-Canada Highway, the largest joint construction project ever undertaken by federal and provincial authorities, estimated ultimately to cost \$300,000,000.

The road at completion will be 5,100 miles in length. The federal contribution is to be up to \$150,000,000, or one half of the estimated cost. The project will be under the direction of the Department of Resources and Development.

Contracts were signed on April 24 with representatives of Ontario, Manitoba, British Columbia, Prince Edward Island, Saskatchewan and Alberta. Of the Provinces which did not sign agreements on April 24, Nova Scotia, New Brunswick and Newfoundland are expected to sign at an early date, when minor, technical difficulties are ironed out.

A statement by the Department contained the routes of the proposed Highway through the Provinces which have signed the agreement. As incorporated in the agreement the Ontario section of the Trans-Canada Highway will commence at Hawkesbury, run through Ottawa, cut south to Carleton Place, skirt Perth and follow No. 7 Highway through Peterborough and Lindsay, and from there strike north on No. 12 to Orillia, on to Waubesaushene, to Parry Sound, to Sudbury, Chapleau, pick up No. 17 Highway through Nipigon, Port Arthur and Kenora to the Manitoba boundary.

The Minister of Resources and Development, Mr. Winters, made the following statement in the House of Commons after the signing of the agreements:

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DELEGATES TO GENEVA CONFERENCE: The Minister of Labour, Mr. Mitchell, on April 24, announced the names of Canada's delegates to the Preliminary Conference on Migration of the International Labour Organization, to be held in Geneva during the two weeks beginning April 25.

The delegation is headed by A.F. Macdonald, Member of Parliament for Edmonton East and Chairman of the Industrial Committee of the House of Commons.

Alternate delegates are O. Cormier of the Department of Citizenship and Immigration, Ottawa, and S.H. MacLaren, Executive Director of the Unemployment Insurance Commission, Ottawa.

N.F.H. Berlis, of the Canadian Permanent Delegation to the United Nations, Geneva, will act as Adviser to the Delegation.

The agenda of the Conference includes an exchange of views on the present position as regards migration and the factors restricting its development, the demand for manpower from countries in a position to absorb immigrants

"I believe Honourable Members will be interested to know that the federal Government this morning entered into agreements with six provincial Governments for the construction, under the terms of the Trans-Canada Highway Act passed by Parliament last session, of the links of the Trans-Canada through their respective Provinces. Contracts were signed with representatives of Ontario, Manitoba, British Columbia, P.E.I., Saskatchewan and Alberta. The Provinces with which an agreement was not signed were Quebec, Nova Scotia, New Brunswick and Newfoundland.

"Honourable Members will recall that when the Bill was being considered by Parliament last session I informed the House of the Government's view that the project would not be national in scope unless all Provinces entered into the agreement, and that unless it were national in character the federal Government would not be justified in participating.

"However, in view of the fact that those Provinces in which no such East-West highway exists have all signed the agreement, and having regard also to the fact that the implementation of the agreement with the six Provinces will result in a hard-surfaced road from East to West across Canada, thereby in substance achieving the aim of the Act, it is the opinion of the Government that the people of Canada generally would approve of having the project proceed in the six Provinces with respect to which agreements have been signed. I am convinced, moreover, that it is only a matter of time until the remaining Provinces will participate in the project...."

and the manpower in Europe available for emigration.

The Conference will also discuss measures necessary to organize migration on the international and national levels and the relation of migration to economic development.

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LABOUR INCOME DOWN: Estimated total of salaries and wages and supplementary labour income in January was \$620,000,000, about three per cent under the December figure of \$642,000,000, but two per cent above the January 1949 estimate of \$607,000,000.

Labour income in manufacturing rose to \$213,000,000 from \$211,000,000 a year earlier; in utilities, transportation, communications, storage and trade to \$166,000,000 from \$159,000,000; in finance and services to \$140,000,000 from \$133,000,000; and in construction to \$37,000,000 from \$35,000,000.

The total for agriculture, logging, fishing, trapping, and mining was down from \$49,000,000 to \$43,000,000.

EMPLOYMENT SITUATION: During the 1948-49 winter the highest number of unplaced applicants was 265,000. This year the figure of unplaced applicants as at March 30, 1950, was 428,216, the Minister of Labour, Mr. Mitchell, announced on April 25. The Minister said there would most probably be a slight increase during the period ending April 15, after which date he predicted the figures would drop rapidly.

It was not possible to make a fair comparison with last year because the granting of supplementary allowances had caused 56,500 persons to register who had not registered before. They were people living some distance from the Employment Offices, who had not come in to register because they thought no work was available.

The new supplementary benefit programme continued to provide assistance to many of those out of work who had either exhausted their benefits or who had not been previously covered by unemployment insurance. At the beginning of April, 83,500 persons were claiming supplementary unemployment insurance benefits. Of these, 56,500 persons were applying for supplementary benefits who had not been registered with National Employment Service before the programme began on February 28.

Well over 80 per cent of the applications for supplementary benefits came from Quebec and the Maritime provinces, and by far the largest proportion of those applying were casual workers or loggers. This is directly related to the fact that hauling has been completed in the eastern logging industry, and the cold weather has delayed spring hiring in construction, agriculture and transportation which usually provide many job openings for these workers at this time of year. By the time the supplementary benefit programme is terminated on April 15, hiring will be well under way in these industries.

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67 ANIMALS FOR SCOTLAND ZOO: One of the largest requests for specimens of typically Canadian wild animals received in recent years has been made by the Royal Zoological Society of Scotland for its Zoological Park near Edinburgh, it has been announced by the Department of Resources and Development. The request includes nine species and will involve the shipment of upwards of 67 animals.

Among the animals which the Scottish society wishes to obtain are ten wolves, twelve marmots, twenty-four chipmunks, six beavers, two skunks, one wolverine, eight raccoons, four caribou and two cougars.

The Superintendent of the Edinburgh Zoological Park states that many of the Canadian wildlife species represented in the zoo have become depleted and should be renewed as soon as possible.

The wild animals will be donated by the Canadian Government, but all expenses involved in their capture and transfer will be met by the Royal Zoological Society of Scotland.

DR. MCCANN TO WORLD HEALTH ASSEMBLY: The Department of External Affairs announced on April 26 that Dr. J.J. McCann, Minister of National Revenue, will head the Canadian delegation to the Third World Health Assembly, which opens in Geneva on Monday, May 8.

The Assembly will discuss the programme of the World Health Organization for 1951 and will also study the operation of WHO's regional organizations, membership applications from Indonesia and Viet Nam, and the Annual Budget of WHO.

Dr. H.A. Ansley, Director of Health Services of the Department of National Health and Welfare, and Dr. Leonard Miller, Deputy Minister of Health for Newfoundland, will also be members of the delegation. Mr. E.A. Côté of the Office of the Canadian High Commissioner in London and Mr. N.F.H. Berlis of the Canadian Permanent Delegation to the European Office of the United Nations in Geneva, will be advisers to the Delegation.

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STRIKES AND LOCKOUTS: Although the number of work stoppages arising from industrial disputes and the number of workers involved during March, 1950, were higher than in the preceding month, the total time lost was slightly lower, according to a preliminary summary of strikes and lockouts released by the Minister of Labour, Mr. Mitchell.

Three work stoppages accounted for 52 per cent of the total time loss during March. These were boot and shoe factory workers at Richmond, P.Q., plumbers, steamfitters and helpers at Ottawa, and paper box factory workers at Toronto.

Preliminary figures for March, 1950, show 21 strikes and lockouts in existence, involving 5,659 workers with a time loss of 25,118 man-working days, as compared with 15 work stoppages in February, 1950, with 3,764 workers involved and a time loss of 26,300 days. In March, 1949, there were 11 strikes and lockouts, involving 6,601 workers, with a time loss of 136,317 days.

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RECORD IN CHEQUES CASHED: Cheques cashed against individual accounts in March rose to \$7,730,054,000 from \$6,867,531,000 in the corresponding month last year, or by 12.6 per cent, according to an advance statement by the Bureau of Statistics. This raised the cumulative total for the first quarter of the year to \$21,036,876,000 -- highest in the record -- from \$19,772,380,000 in the similar period of 1949, or by 6.4 per cent.

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DEPARTMENT STORE SALES DOWN: Department store sales were down nine per cent during the week ending April 15 as compared with the corresponding week last year, all provinces sharing in the decline except British Columbia where there was an advance of three per cent.

PRODUCTION

The value of inventories held by the manufacturing industries of Canada at the end of February was slightly above the January level but below February last year, according to index numbers compiled by the Bureau of Statistics. The February index, on the base 1947=100, was 128.9 -- highest since August last -- compared with 127.1 in January, and 134.0 in February, 1949.

Value of production of the distilled liquor industry of Canada in 1948 was \$81,445,000, showing an increase of 19 per cent over the preceding year's value of \$68,378,000, according to the Bureau of Statistics.

Gross value of production of the miscellaneous leather products industry in 1948 was \$22,868,000, an increase of four per cent over the preceding year's total of \$21,941,000, but a decline of two per cent from the peak value of \$23,248,000 in 1946.

Production of wire nails in January this year was slightly lower than in the corresponding month last year, the month's output amounting to 7,099 tons as compared with 7,193.

Production of non-ferrous metals and their manufactures in 1948 was valued at \$1,270,323,000, showing an increase of 23.5 per cent over the preceding year's total of \$1,034,581,000.

Production of Canada's leather footwear industry rose to a record value of \$105,339,643 in 1948 as compared with \$104,147,182 in the preceding year. Boots and shoes accounted for \$104,665,327 of the total, miscellaneous products such as gloves, insoles and shoe uppers for \$403,999, and custom repair work for \$270,317.

Gross value of production of the hat and cap industry of Canada in 1948 amounted to \$24,955,000 as compared with \$26,814,000 in the preceding year, a decline of almost seven per cent.

Gross value of products manufactured by the miscellaneous foods industry rose five per cent in 1948, amounting to \$133,284,924 as compared with \$127,439,940 in the preceding year.

THE PROVINCES

British Columbia and Nova Scotia have both renewed their agreements with the federal Government under the National Physical Fitness Act the Minister of National Health and Welfare, Mr. Martin, has announced.

The federal Government will aid Newfoundland in selling her salt codfish to Europe during 1950 over the exchange barriers, it has been announced in St. John's by the Chairman of the Newfoundland Fisheries Board.

The first session of Manitoba's 23rd Legislature prorogued last week-end, after sitting 67 days and passing 108 Bills.

First of a series of tests, a helicopter took off from the Toronto waterfront on April 25 with a load of mail for an airliner waiting at Malton airport. The 18 mile helicopter flight was made in 19 minutes, less than half the time taken by truck-delivery.

A definite policy of fish and game preservation and more realistic law enforcement was announced for Quebec Province this week through R.S. White, Past President of the Quebec Federation of Fish and Game Associations.

To aid in improving and expanding the services of the central laboratory of the Ontario Department of Health, Toronto, the federal Government has allotted \$45,275 from its health grants to buy additional scientific equipment.

CARLOADINGS: Carloadings on Canadian railways during the week ended April 15 rose to 69,042 cars from 63,594 in the preceding week and 64,776 in the corresponding week last year. In the first 15 weeks of this year 1,027,188 cars were loaded compared with 1,080,969 in the same period of 1949.

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CASH SALES DOWN: Continuing the trend of the previous nine months, the proportion of cash business transacted in 16 major retail trades declined to 62.9 per cent of total sales during the last quarter of 1949 for 64.2 per cent in the corresponding period of 1948. Most of this decline was absorbed by a gain in the proportion of instalment sales, which rose to 8.7 per cent of the total from 7.7 per cent a year earlier, charge sales increasing only to 28.4 from 28.1 per cent.

INVESTMENT OUTLOOK-1950 (Cont'd from p. 1)

grades are being exported to the United States and the United Kingdom. This may result in some tightening in the supply of this type of lumber later this year.

Of the 30 building materials covered in the survey, increased production is expected for 21, eight show no change, and only one, cast iron radiators, is likely to be down.

On the basis of present expectations for 1950 the overall capital programme, if realized, will account for about 22 per cent of total national expenditure for goods and services. This continuing high level of investment will be an important supporting influence in the economy.

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NEW SHIPPING REGULATIONS: The Minister of Transport, Mr. Chevrier, announced in the House of Commons on April 21 that new steamship regulations have been drafted to incorporate the recommendations of Mr. Justice Kellock, based on his inquiry into the Steamship "Noronic" fire tragedy at Toronto on September 17 last. The Minister said in part:

"On December 8 last, I indicated to the House that the recommendations of the Commissioner in the investigation of the "Noronic" disaster would be incorporated in the regulations of the Steamship Inspection Service of the Department of Transport. On my instructions, departmental officers immediately applied themselves to this task, and late in December proposed regulations incorporating the recommendations of the Commissioner were circulated to all shipowners to whom the new regulations would apply. Since the beginning of the year the Steamship Inspection Board has had occasion to meet with representatives of the industry, not only in Ottawa but also on the Pacific Coast.

"It is the right of the public to demand reasonable protection when travelling by ship, and after most serious consideration, and on the advice of the Board of Steamship Inspection and other officers of my Department, it was decided to use the International Convention for the Safety of Life at Sea as a guide in the preparation of regulations to implement the Kellock report.

"The Convention to which I refer was held in London in 1948, and was composed of technical experts of almost all the maritime nations of the world, and I am sure no recognized authority would assert that the provisions of this Convention do not afford the protection to which the public is entitled.

"The recommendations made by the Commissioner are to be implemented as far as conditions will permit. On existing ships, the period of time between now and the placing of these ships in commission is too short to allow complete compliance with all the regulations; however, the principal requirements will be implemented

and as many of the others as time will permit. No passenger ship will be allowed to enter into service without complying with the new regulations to the extent which is practicable.

"Several shipowners have already taken steps to implement many of the Commissioner's recommendations. One firm on the Pacific Coast has had fire resisting bulkheads and several other additional items of equipment fitted in one of its ships, and arrangements are being made for similar changes on another of their vessels. An Eastern company operating on the St. Lawrence River and Great Lakes has arranged, before placing four of its ships in commission this summer, to have fire resisting bulkheads, a partial sprinkling system, public address system, fire detection system, fire alarm system, manually supervised patrol system, fitted throughout each of its four ships...."

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The Minister of Agriculture, Mr. Gardiner, announced in the House of Commons on April 26, support prices for creamery butter of 53 cents a pound in the East and 52½ cents a pound in Western Canada.

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ANNUAL REPORT ON COAL: The Bureau of Statistics has released the annual printed report entitled "Coal Statistics of Canada." This publication gives detailed statistics on the production and distribution of coal and coke in Canada, also data on imports, exports, retail sales, employment in coal mines, etc. Statistics are shown for Canada as a whole and for each individual province.

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MR. CLAXTON VISITS U.S.: The Minister of National Defence, Mr. Claxton, returned to Ottawa this week after witnessing United States Army and Air Force demonstrations at Fort Benning, Georgia, and Eglin Field, Florida. He was the personal guest of United States Defence Secretary Louis Johnson and viewed the demonstrations with President Truman.

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PETROLEUM PRODUCTS OUTPUT UP: Canadian production of refined petroleum products increased nine per cent in November and the first 11 months of the year as compared with 1948. Receipts of crude in November were two per cent lower than a year earlier, but rose seven per cent in the 11 months.

The month's output amounted to 8,189,173 barrels as compared with 7,528,067 in November, 1948. During the 11 months ending November, 81,986,051 barrels were produced as against 75,086,794 in the same months of 1948. Receipts of crude in the month totalled 8,431,328 barrels as compared with 8,540,908 a year ago, and in the 11 months amounted to 88,633,583 barrels against 82,867,645.



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WEEK'S EVENTS IN REVIEW

FAITH IN THE UNITED NATIONS: Canada re-affirmed faith in the United Nations in the report, "Canada and the United Nations, 1949," prepared by the Department of External Affairs, and tabled in the House of Commons on April 17 by the Secretary of State for External Affairs, Mr. Pearson.

In the concluding paragraph of the General Survey which precedes a review of Canada's activities at the world organization throughout the past year, Canada's attitude is summarized, in part, as follows:

"In regard to the major objective of the United Nations, the prevention of war and the removal of its causes through universal collective action, it is often a record of disappointment and frustration. In other respects, however, within the more limited field of operation open to the United Nations and the specialized agencies, means have been adjusted to circumstances with creditable flexibility for so complicated a structure, and the amount that has been accomplished is surprisingly large and varied.

"Moreover, whatever the record of accomplishment, the events of the first four years in the life of the United Nations have confirmed the principles upon which the Organization is based. The Canadian Government will not readily abandon the hope that these principles may be applied upon a universal basis. Meanwhile, Canadian delegations to the United Nations and the specialized agencies will

continue to make the fullest contribution within their power to the effective working of these organizations in the present difficult circumstances."

The General Survey which precedes the report proper notes the limitation imposed by the inability of the Security Council to enforce its decisions. The abuse of voting procedure, the report states, which requires unanimity amongst the permanent members on all questions of substance, and the failure of the Military Staff Committee to agree upon measures for the establishment of military force under international control, are the formal handicaps from which the Security Council suffers.

In spite of limitations, however, the report notes that the Security Council was the instrument in 1949 through which the international community dealt with three dangerously inflammable problems: Indonesia, Kashmir and Palestine. Consideration of these items gave particular significance to the two-year term of membership which Canada completed at the end of 1949. The report adds that the lessons drawn from the experience were summarized by the Secretary of State for External Affairs in his statement at the opening of the Fourth Session of the General Assembly.

The Survey goes on to deal with the work of the General Assembly throughout the year, touches on the activities of the Economic Committee, the Social Committee and the Trusteeship Committee, and proceeds to an analysis

AMBASSADOR OF IRELAND: The Department of External Affairs announced that Mr. Sean Murphy presented on April 13 to His Excellency the Governor-General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Ireland to Canada.

The Secretary of State for External Affairs, Mr. Pearson, was present. Mr. John O'Brien, Secretary of the Embassy of Ireland, accompanied the Ambassador. Mr. Howard Measures, Chief of Protocol, Department of External Affairs, presented Mr. Sean Murphy to His Excellency the Governor-General.

Mr. Murphy was born in 1896, is married and has four daughters. He was educated at Clongowes Wood College and University College, Dublin. After practising as a solicitor, he served in Paris in the foreign service of his country; later he became administrative officer of the Department of External Affairs and in 1928 was Assistant Secretary of the Department. Mr. Murphy was a member of the Irish delegations to the Imperial Conferences held in 1926, 1929 and 1930 and attended successive League of Nations Assemblies. He was Irish Minister to France and Belgium from 1938 until his present appointment as the first Ambassador of Ireland to Canada. Mr. John J. Hearne, S.C., who has been High Commissioner for Ireland in Canada since August, 1939, left Ottawa on March 28 to take up his duties as Irish Ambassador to the United States.

APPRECIATION FOR N.Y. WELCOME: Appreciation for the warmth and extent of the welcome given more than 1,300 officers and men of the Royal Canadian Navy who visited New York over the Easter holiday has been expressed by the Minister of National Defence, Mr. Claxton.

In a message to Kenneth Greene, Canadian Consul General in New York, Mr. Claxton asked that this appreciation be conveyed to the United States naval authorities, the Mayor and officials of New York and the numerous other organizations and private citizens who welcomed and entertained the Canadian sailors during their five-day visit, April 7-12.

"Exchanges of goodwill of this kind reinforce the strong ties of friendship which exist between the armed forces of the United States and Canada in their work together to preserve peace and the security of our continent," Mr. Claxton added.

At the same time, Mr. Claxton congratulated Commodore K.F. Adams, of Victoria, commanding officer of the aircraft carrier *Magnificent* and Senior Canadian Naval Officer Afloat, and the officers and men of the *Magnificent*, the destroyer *Micmac* and frigate *Swansea* on the good impression they had made in New York as unofficial goodwill ambassadors for Canada.

WAR DAMAGE AGREEMENT: The Department of External Affairs announced on April 14 the completion of an Equal Treatment Agreement between Canada and Belgium in connection with war damage compensation. In order to benefit from the agreement, applicants, whether individuals or corporations, must prove that they enjoyed Canadian nationality both when the damage was sustained and on August 17, 1949. Persons who were Canadian nationals on one only of these dates and were, on the other date, either Belgian nationals or nationals of another country with which Belgium has concluded a reciprocal agreement on war damage compensations, are also entitled to claim under the agreement. Individuals and corporations who qualify under the agreement will receive equal treatment with Belgian nationals under Belgian Legislation.

Claims are to be submitted before June 2, 1950, directly to the appropriate Belgian authorities.

Petitions must be filed on special forms issued by the Belgian Government and obtainable from the Department of External Affairs, Ottawa.

"ONTARIO" TO PEARL HARBOR: The 8,000-ton cruiser HMCS *Ontario*, commanded by Captain Hugh F. Pullen, O.B.E., R.C.N., of Oakville, Ont., will sail from Esquimalt April 18 on a one-month training cruise to Pearl Harbor, Hawaii, Naval Headquarters, announced on April 14.

The *Ontario* is scheduled to arrive at the United States naval base on April 25. She will carry out training exercises in the area until May 9, when she will set course for Esquimalt, arriving back at her home port on May 17.

This will be the second time within two years that the *Ontario* has visited Pearl Harbor. In the Fall of 1948 she led a five-ship Canadian task force to Hawaii for a month of intensive training exercises.

On board the *Ontario*, in addition to her normal complement of 500 officers and men, will be more than 200 new entry seamen under training and a number of Reserve officers and men.

The cruiser's departure for Pearl Harbor comes two weeks after her return from a one-month training cruise to ports in California and Mexico, on which she was accompanied by the destroyers *Cayuga* and *Sioux*.

BORDER TRAFFIC: Volume of highway traffic entering Canada from the United States in February was four per cent higher than in the same month last year, the increase in returning Canadian traffic accounting for the rise. Foreign traffic declined one per cent, a drop in non-permit or local vehicles more than offsetting a gain in vehicles entering on traveller's vehicle permits.

RECORD TEXTILE PRODUCTION: Reflecting unprecedented demands for textiles and textile products for civilian use in the years immediately following the end of the war, the gross factory selling value of products turned out by Canadian textile mills reached an all-time record total of \$1,062,041,000 in 1947, up 19.5 per cent over the 1946 value of \$886,559,000, and almost three times the 1939 total of \$392,658,000.

Although great strides were made toward meeting the heavy demand, some products were still in scarce supply at the end of the year and the mills had a large volume of orders on hand. Throughout the year, textile manufacturers continued to increase their productive facilities by modernizing or extending existing plants.

At the end of 1947 there were 3,216 establishments in operation as compared with 3,082 at the end of 1946. The employees numbered 176,065 as compared with 164,737 in the preceding year, and their salaries and wages aggregated \$268,105,000 compared with \$228,018,000. Both number of employees and salary and wage payments exceeded all previous years.

VALUE OF PRODUCTS

The value of products of each of the main sections of the textile industry moved up sharply during the year. The women's factory clothing group increased to \$184,305,000 from \$174,353,000, men's factory clothing to \$183,166,000 from \$152,707,000, cotton yarn and cloth to \$158,272,000 from \$109,828,000, hosiery and knitted goods to \$127,838,000 from \$105,209,000, synthetic textiles and silk to \$84,870,000 from \$65,521,000, and woollen cloth to \$65,507,000 from \$56,879,000.

The Provinces of Quebec and Ontario dominate the field of textile manufacturing in Canada. Quebec accounted for 54.8 per cent of the all-Canada gross value of production in 1947 and 55.2 per cent of the number of persons employed, while Ontario accounted for 37.5 per cent of the gross value and 37.5 per cent of the employment.

In Quebec, the total value of output in 1947 was \$582,389,000. Women's factory clothing headed the list with a value of \$123,178,000, followed by cotton yarn and cloth at \$111,478,000, men's factory clothing \$108,220,000, synthetic textiles and silk \$56,966,000, and hosiery and knitted goods \$53,155,000. The aggregate value of production of these five industries was \$452,996,000, or 77.8 per cent of the total for the Province.

In Ontario, the production of hosiery and knitted goods -- the largest industry -- was valued at \$66,110,000, men's factory clothing \$55,046,000, women's factory clothing \$47,939,000, cotton yarn and cloth \$39,062,000, and woollen cloth \$38,613,000. These five leading industries accounted for \$246,770,000, or nearly 62 per cent of the total for the Province.

RAIL WAGE DEMANDS REFUSED: Two conciliation boards have rejected the demands of railway workers, based on a five-day, 40-hour week with the same take-home pay. The boards' suggested compromise is for a 44-hour week but not enough hourly pay increase to effect the same take-home pay as the workers now receive for 48 hours.

The board's comment on the economic aspects of the railway-wage situation, is in part, as follows:

"Under certain circumstances, a union may be well advised to accept a lesser wage with continuity of employment than to insist on a higher wage which may threaten that continuity. The competitive position of the railways vis-a-vis truck and water competition must always be kept in mind by union leaders as well as railway managers with a view to insuring that rail transportation does not price itself out of the market. That this can be done, has been, we think, pretty clearly demonstrated in the coal industry both in the United States and Canada during the past few years. The changeover from coal to a cheaper and more reliable form of fuel has assumed the proportions of a stampede."

FARM LABOUR AGREEMENTS: The Minister of Labour, Mr. Mitchell, announced on April 18 that the 1950 Federal-Provincial Farm Labour Agreements had been forwarded to the Provincial Ministers of Agriculture for signature.

In 1950, as in previous years since the Farm Labour Programme was developed early in World War II, the federal Government will assist each Province entering the agreement, in recruiting, movement and placement of workers in agriculture, and related industries such as food processing, lumbering and logging. In addition to the efforts of co-ordination provided by the Immigration and Farm Placements Branch of the Department of Labour, and the National Employment Service, the federal Government provides direct financial assistance towards the recruiting and placement of farm help.

The Minister stated that a major objective of the agreements was to provide farm help when and where it was most needed. Largely as a result of movements of agricultural workers under the provisions of the agreements, no crop losses were reported in 1949 due to shortage of farm help. He pointed out that considerable satisfaction had been expressed in connection with the joint efforts of federal and provincial officials to solve farm labour problems during the past few years.

Approximately 3,500 agricultural workers were involved in movements within Canadian borders during 1949, organized under these agreements.

PUBLIC LIBRARIES SURVEY: Canadian public libraries increased their stocks of books by about 500,000 volumes between 1945 and 1947, and more than doubled the average biennial increase in the preceding 14 years, according to the biennial survey released by the Bureau of Statistics. This raised the total to a record figure of 6,431,200 volumes. The increase was the result, in part, of deferred purchases during the war years when European books were not available and American and Canadian releases were fewer in number.

In comparison with pre-war years less reliance appeared to be placed upon public libraries as a source of fiction reading for the adult population; circulation of this kind has dropped more than 25 per cent in 10 years. Public libraries, however, have maintained their place as a provider of adult non-fiction and of juvenile books, the latter frequently in collaboration with the schools. At the same time staffs have been strengthened and better service made possible by the libraries as reference centres.

Despite the increase in volumes, loans have decreased almost to the 1937 level. During the war years there was a considerable inflation of circulation and a measure of retrogression was expected in the post-war years. Circulation was down in 1947 to 19,721,411 from 20,016,292 in 1945, and the borrowers fell to 1,168,697 from 1,254,467.

Expenditures on public library service rose to \$3,739,000 from \$2,764,000 in 1945, with gains reported in all provinces.

RECORD TELEPHONE INSTALLATIONS: Continued heavy demand both for business and residential telephone service boosted telephone installations in 1948 to an all-time record figure of 221,271 as compared with the previous peak of 204,479 in 1947. This raised the total in use to 2,451,868, a gain of nearly 10 per cent over 1947, and an increase of 80 per cent in the past decade. Unfilled requests for telephone connections at the end of the year assured considerable expansion throughout 1949 and beyond. Telephones per hundred population increased from 17.7 in 1947 to 19.0, with all provinces registering gains.

The number of business telephones increased from 645,154 in 1947 to 701,869, or by 8.8 per cent, and residential telephones advanced from 1,194,840 to 1,328,373, or by 11.2 per cent. Rural and public pay telephones also registered appreciable gains over 1947. Automatic or dial types totalled 1,398,821, or 57 per cent of installations, while those on manual switchboards represented 43 per cent against 44 per cent in 1947; and numbered 1,053,047 at the end of 1948.

The estimated number of completed calls for all systems rose from 3,843,264,173 in 1947 to 4,117,217,182 in 1948, an increase of 7.1 per cent. This represented an average of 1,679

calls per telephone or 320 calls per head of population. The number of long distance calls during the year reached a new record at 91,875,182, an increase of 9,180,000 or 11.1 per cent over 1947.

PHOTOGRAPHING CANADA: The RCAF's three photo survey squadrons, responsible for the major part of the world's greatest aerial photo programme, have commenced what may be the last "big year" in the 28-year-old task of covering Canada by aerial pictures, it was announced on April 20 by Air Force Headquarters. Two Dakota aircraft left their Rockcliffe home base, near Ottawa, this week for Edmonton, to establish field headquarters there for one of the squadrons, and actual photo operations are expected to start within the next few weeks.

Between 35 and 40 photo and supporting transport aircraft from the photo squadrons will take part in the work, operating in various parts of the country, and by the time the last one returns in the autumn, practically all of Canada may have been recorded on aerial film.

Air Force officers said that this will not mean the completion of Canada's aerial photo programme, but will rather mean the finish of one of the two types of work. Two different types of photos are taken--tri-metrogon and vertical. Tri-met operations, done by three cameras working simultaneously from a single aircraft, produces aerial shots used for air navigation charts and for basic exploration and mapping. Vertical photography, done by a single camera, produces pictures giving greater detail, and is used for detailed mapping, in addition to its many commercial uses.

It is the tri-met part of the overall programme that may be finished this year, weather permitting. In the case of vertical photography, however, several years' work remains before coverage is complete.

ANNUAL REPORT ON LIVE STOCK: The Bureau of Statistics has released the annual report on live stock and animal products statistics for the year 1948. The present issue -- the 30th in an annual series -- contains data on numbers, prices and values of live stock and the production of animal products, as well as records of commercial marketings and inspected slaughterings. Price of this report is 50 cents per copy.

CARLOADINGS: Carloadings on Canadian railways during the week ending April 8, affected by the holiday on Good Friday, fell to 63,594 cars from 71,997 in the corresponding week last year. Eastern division loadings amounted to 41,768 cars as against 47,421 in 1949, while western volume was 21,826 cars against 24,576.

FAITH IN THE UN: (Cont'd. from page 1)

of the difficulties which were encountered in the way of reaching decisions and of giving them effect. The Survey proceeds:

"The most fundamental of these difficulties results from the fact that the ideal of universal membership on which the United Nations was founded has brought about the inclusion within one organization of a majority composed of democratic states and a minority composed of Communist ones. Thus, the United Nations is the meeting place of rival political and economic philosophies. Inevitably, this puts an ever-increasing strain on the machinery of the United Nations and makes the implementation of its purposes and principles extremely difficult. For, as we have painfully learned, these purposes and principles mean very different things to nations holding differing political philosophies. Human rights and freedoms, the self-determination of peoples, international co-operation, are concepts which throughout the civilized world have long had substance and meaning. They are, it is true, ideals which have not been fully realized in practice. The United Nations was founded with the object of bringing about their fuller realization. Since the San Francisco Conference, when the Soviet Union adhered to these purposes and principles, it has become increasingly clear that the Communists do not believe in these ideals and have no intention of working for them. They have subscribed to the language of the Charter but their own aims are at variance with its principles.

COMMUNIST STATES

"The Communist-controlled states do not believe in co-operation for the improvement in the free world of political, social and economic conditions because they do not believe improvement possible except by the adoption of Communism. Claiming as they do that society in non-Communist countries is organized on an intolerable basis of exploitation, they resist all proposals for international co-operation which serve other causes than Communism itself. They cannot work together with us for the promotion and encouragement of human rights and liberties because these rights and liberties do not exist within their own borders. Most serious of all, they are not willing to contribute to the main purpose of the United Nations--the maintenance of international peace and security. On the contrary, one of the objects of international Communism is to foment insecurity in non-Communist states, while the aggressive foreign policy of the Soviet Union threatens the maintenance of peace in many quarters of the world. This contradiction between the purposes and principles of the United Nations and the policies of its Communist members runs like a deep fissure through the Organization.

"In this situation, the tactics of the Soviet Delegation and its satellite delegations have

been based on a bold attempt to pin the blame on others for the tension they have themselves created. By the simple expedient of repeating over and over again that the Western democracies are 'warmongers', these delegations hope to divert attention from the series of aggressive moves which have characterized Soviet foreign policy since 1945. A further stratagem consists in the introduction of high-sounding resolutions containing the most unexceptionable sentiments of a peace-loving kind which on closer inspection are found to mask the stubborn intention of the Soviet Government not to budge an inch in the direction of practical compromise.

"These devices have created little or no impression within the United Nations where delegations are all too familiar with this pattern of propaganda diplomacy. Instead, they have served the purpose of disillusioning those delegations which still clung to the hope that the Communists were genuinely interested in international co-operation. The Soviet Delegation, however, may have less interest in the fate of their proposals in the General Assembly than in posing before the wider public outside as the defenders of peace.

STRIKING EXAMPLE

"The most striking example of these tactics is to be found in the major propaganda debate which each year is introduced into the General Assembly by the Delegation of the U.S.S.R. In 1949, this debate was inaugurated by a resolution denouncing the Governments of the United Kingdom and the United States for attempting to prepare a new war and at the same time proposing that these Governments should give their assent to ill-defined and equivocal proposals for disarmament and for the conclusion of a Five Power treaty. The representatives of the democratic countries replied that if indeed there were danger of war, the source of this danger lay in the disruptive policy and in the aggressive activities of the Government of the U.S.S.R. They embodied these views in an alternative resolution which was adopted by an impressively large majority. The debate was a manifestation of the high degree of unanimity among the non-Communist states on the principles which underlie a free society and on the necessity of defending these principles. It cannot be said, however, that the immense outlay of time and energy required to meet and offset the Communist propaganda attack in this debate made any contribution towards the purposes for which the United Nations was founded.

"Similar attacks were made by the Communist delegations in debates on almost every other subject on the agenda. The discussions on disarmament and on the control of atomic energy resulted in little progress because, in both cases, the Communist delegations were able to distort the debate into an exchange of mutual recriminations, thus avoiding serious

consideration of practical measures. Similar methods were used in every organ of the United Nations on which a Communist delegation sits. It is, therefore, to the very considerable credit of the United Nations that ways and means have been found of achieving results in a number of fields in spite of these efforts to reduce its effectiveness.

"Of course, it should not be assumed that without Communist obstruction all would have been plain sailing in the United Nations. Quite apart from the complications introduced by the attitude of the Communist delegations, the Organization faces formidable problems. It must reconcile national sovereignty with the needs of a world community; it must balance the realities of political power with the exigencies of a Charter based on the nominal equality of all member states; it must adapt its procedure to avoid waste of time. These and many other complex questions would in any case face the Organization. The Canadian Government since the foundation of the United Nations has taken the attitude that the Organization should be capable of growth and that its constitution should be susceptible of adjustment in the light of experience. Such a developing process would be directed at attaining a really effective system of collective security. What is disturbing in the present situation is that the democratic majority and the Communist minority within the United Nations are not even moving together in this same general direction.

"In default of any immediate prospect of attaining security on a universal basis the members of the United Nations which are most interested in collective security and have most to gain from it have sought within the framework of the Organization to provide means for their mutual defence. The most important example of this development was the signature

of the North Atlantic Treaty in the spring of 1949. In the proceedings of the United Nations during that year, the delegations from Communist-controlled states added the fact that the North Atlantic Treaty had been signed to the many other accusations which they levelled against the nations of the free world. They declared that the Treaty ran counter to the United Nations Charter. The states which had signed the Treaty found little difficulty in demonstrating that the agreement amongst them was fully consistent with the Charter. In the political charge directed at its signatories, the Communist states ignored their own responsibility for the circumstances in which the Governments which signed the Treaty were driven to enter into this defensive engagement. The references to the Treaty in the United Nations had the effect of confirming the majority of members in their belief that the Treaty increased the prospects of security and prosperity in an important area of the world. The effort, resulting in failure which it is hoped will be temporary, to attain a universal system of security could not be held to preclude a more limited attempt to defend peace and encourage political and economic stability by the Governments signatories to the North Atlantic Treaty.

"In his opening statement at the Fourth Session of the General Assembly of the United Nations, the Secretary of State for External Affairs said that it was necessary to make a careful reappraisal of the policies, activities and procedures of the United Nations, and in doing so to ask the question what in existing circumstances it was reasonable to expect the United Nations to accomplish. 'So far as the Canadian Government is concerned,' he said, 'we have tried to make practicability the touchstone of our attitude towards the United Nations'."

RETAIL SALES UP 9 PER CENT: Showing the largest gain in 10 months, Canada's retail trade rose nine per cent in February over the corresponding month last year. The rise in the month was due mainly to sharply increased sales of motor vehicles, and to a lesser extent to gains in sales of garages and filling stations, and coal and wood dealers.

The overall advance in retail trade in the month compares with a rise of two per cent in January, and an average gain of 5.8 per cent for the full year 1949. In the first two months of this year, sales moved up 5.2 per cent. Generally, changes in sales volume in the different regions varied little from the overall gain.

Motor vehicle dealer sales rose 102 per cent in the month, reflecting the very high sales of new passenger cars which accompanied the introduction of new models in the first two months of this year when unit sales numbered 44,119 compared with 14,252 in the same two months last year.

Consumer commitments for automotive purchases have probably caused some moderation in sales of other types of consumer goods, although much of the volume reported for that trade represents deferred obligations. The decrease in lumber and building material and hardware -- eight per cent and nine per cent -- may be related to a similar decrease in construction contracts let in January.

ADVISORY COMMITTEE ON INVESTMENT: The Minister of Finance, Mr. Abbott, announced on April 20 the establishment of an Advisory Committee on Private Overseas Investment under the Chairmanship of Mr. Gordon S. Ball, General Manager of the Bank of Montreal. Mr. Abbott stated that its establishment was the result of a recommendation made at the close of the Tripartite Discussions held in Washington last September. (See issue of April 28 for complete details).

THE WEEK IN PARLIAMENT

PIPE LINE BILL PASSED: One of the first actions of the House of Commons, upon its return on April 17 after adjournment on April 5, was to accord second reading to the Bill to incorporate the Alberta National Gas Company, a measure which previously had held the House through many hours of debate. Two votes were required before the Bill was referred to Committee - first a vote on the technicality that the vote be now put, which carried 100 to 28, and then the main motion, carried by 101 to 29. Opponents of the Bill sought to ensure an all Canadian route to the coast.

FLAG COMMITTEE: The House of Commons, on April 17, approved motions for the consideration of the appointments of special committees to choose a distinctive Canadian flag and to report upon the creation of an entirely Canadian system of military and civilian medals and decorations for Canadians.

The first resolution, moved by J.T. Richard, Ottawa, read:

"That, in the opinion of this House, consideration should be given to the appointment of a special committee to report upon the choice of a distinctive Canadian flag."

The second, moved by Mr. Bona Arsenault, Bonaventure, read:

"That in the opinion of this House consideration should be given to the advisability of setting up a special committee of the House to consider and report upon the creation of an entirely Canadian system of military and civilian medals and decorations to be awarded to Canadians for services beyond the call of duty and for other meritorious services, in time of war, as well as in time of peace, and also for services rendered to Canada by men or women of nationalities other than Canadian, as a means of promoting good will and understanding between Canada and the other countries of the world."

URANIUM ORE PRICE GUARANTEE: The Minister of Trade and Commerce, Mr. Howe, in the House of Commons on April 17, announced an extension to March 31, 1958 of a guaranteed price for uranium ore. He said, in part:

"On March 16, 1948, I announced to the House

the policies which had been established in connection with the purchase of uranium in ores and concentrates. These policies involved the establishment of a minimum price which was guaranteed for five years from March 31, 1948. With a view to encouraging further prospecting for radioactive minerals, I announced on December 20, 1948, that the period of the guarantee had been extended by two years, that is, until March 31, 1955. In recent weeks the Advisory Mining Committee on Radioactive Minerals has been giving consideration to a possible further extension of the guarantee period. The Committee has recommended that the period of the guarantee be extended to March 31, 1958, and the Government has concurred in that recommendation. It is hoped that this further extension will provide an additional incentive to the search for radioactive ores...."

(A grade price for uranium running as high as \$6 a pound for uranium oxides as compared with the present price of \$2.75 was announced by W.J. Bennett, President of the Eldorado Mining and Refining, Ltd., on April 18.)

ATLANTIC COUNCIL FOR PEACE: The following question and answer were made in the House of Commons on April 17 with regard to an Atlantic Council For Peace, by the C.C.F. Leader, Mr. Coldwell, and the Secretary of State for External Affairs, Mr. Pearson:

Mr. Coldwell: I should like to direct a question to the Secretary of State for External Affairs. Has the Government received from the Premier or Government of France a proposal suggesting the formation of an Atlantic High Council for Peace? If so, can the Minister inform the House as to the reaction of the Government of Canada to the suggestion?

Mr. Pearson: No, the Government has received no such proposal, but I have noticed references to it in the press. Until we receive some official information concerning it I do not think it would be wise for me to comment thereon.

Mr. Coldwell: When the Minister gets that, will he make a statement?

Mr. Pearson: I will take that into consideration.

TRANSIT SYSTEMS: Patronage of Canadian transit systems was well maintained during the year 1949, a minor decline in urban traffic being more than offset by an increase in inter-urban passengers. The total number of passengers on both services carried by electric car, motor and trolley buses rose to a record 1,619,804,000 compared with 1,613,789,000 for

the same systems in 1948 and 1,598,000,000 in 1947.

REFRESHER FLYING COURSES: Refresher flying courses for air specialist officers of the Active and Retired Lists of the Royal Canadian Navy (Reserve) will be held this summer.

PRODUCTION

Canadian production of sawn lumber was lower in January than in the corresponding month last year, all provinces sharing in the decrease except New Brunswick where the advance was nine per cent.

Gross value of products turned out by manufacturers of printing and writing inks reached an all-time high figure of \$8,288,000 in 1948, an increase of 18 per cent over the previous record of \$7,022,000 in 1947.

Stocks of Canadian wheat in store or in transit in North America at midnight on March 30 amounted to 136,705,600 bushels as compared with 139,134,400 a week earlier, and 130,737,500 on the corresponding date last year.

The March output of creamery butter amounted to 12,445,000 pounds as compared with 12,166,000 in March last year, bringing the total for the first three months of the year to 30,806,000 pounds from 30,401,000.

Production of margarine in March rose to 10,951,000 pounds from 8,712,000 in the preceding month and 7,349,000 in the corresponding month last year. This raised the cumulative total for the first three months of this year to 27,661,000 pounds as compared with 11,733,000 in the similar period of 1949.

Stocks of creamery butter on April 1 amounted to 27,918,000 pounds as compared with 36,452,000 on March 1 and 12,724,000 on the corresponding date last year.

April 1 stocks of eggs, shell and frozen, amounted to 380,000 cases as compared with 284,000 on March 1 and 541,000 on April 1 last year. Holdings of poultry meat decreased to 17,216,000 pounds from 21,315,000 on March 1.

Shipments of primary shapes by Canadian steel mills, exclusive of producers' interchange, totalled 211,400 net tons in January compared with 234,300 in December.

Stocks of meat held by packers, wholesale butchers and cold storage warehouses on April 1 amounted to 66,253,000 pounds as compared with 57,455,000 on March 1 and 78,722,000 on the corresponding date last year.

Production of processed cheese in March amounted to 3,968,000 pounds, an increase of 31 per cent over the 3,019,000 pounds produced in February, and 22 per cent above the 3,251,000 pounds recorded for March last year.

Production of pig iron and steel moved to lower levels in February. The month's output of pig iron decreased to 157,200 net tons from 190,400 in the preceding month and 172,700 in February last year.

Gross selling value of products manufactured by the iron castings industry of Canada in 1948 advanced 21 per cent over the preceding year, amounting to \$123,739,000 as compared with \$102,516,000.

THE PROVINCES

Ontario's Minister of Agriculture, Hon. Thomas L. Kennedy, predicted in an address before the Forest City Kiwanis Club in London, Ontario, that Ontario's present population will double and that some of today's young people will witness it. He said Ontario's growth was assured by the fact that of 1,152 new factories established in Canada last year, 572 located in Ontario.

Premier Angus L. Macdonald of Nova Scotia brought down Nova Scotia's 1950 Budget on April 17, forecasting the first deficit in more than a decade. He predicted a deficit of \$1,835,297 for the 16 months ending March, 1951.

The Ontario Department of Health, the provincial Governments largest purchaser of coal, is prepared to buy 15,000 to 20,000 tons of Alberta coal for use in Ontario mental hospitals, thus effecting a substantial saving of U.S. dollars, it was announced at Toronto after tests of Alberta coal had proved successful.

TORONTO-NEW YORK IN 1 HOUR: The Avro Canada Jetliner, America's first jet transport, flew its first passengers on April 18 from Toronto to New York in about half the time taken by scheduled airliners flying the same 359 mile route. The Jetliner left Malton Airport at 9.30.04 a.m. and arrived at New York International Airport at 10.30 a.m. less than one hour later. Time taken by present-day piston-driven airliners is 1 hour and 50 minutes.



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WEEK'S EVENTS IN REVIEW

CANADA'S TRADE PICTURE: Canada had a greatly reduced excess of imports over exports in trade with the United States in February than a year earlier, due to a substantial rise in Canadian exports across the border and a further decrease in imports of American goods in the month; while Canada's credit balance with the United Kingdom fell to the lowest monthly figure in many years as the result of a rise in the import value of British goods and a drop in Canadian exports to the United Kingdom. In trade with all countries, Canada had a small credit balance in the month.

Imports from the United States during February, for the fourth consecutive month, showed a decrease from the corresponding month a year earlier, being valued at \$143,300,000 as against \$148,800,000. Domestic exports, on the other hand, increased in value to \$128,800,000 compared with \$106,700,000, while foreign exports were unchanged at \$1,500,000. The adverse balance with the United States, as a result, amounted to only \$13,000,000 in the month as against \$40,600,000 in February last year. The January debit balance was also down substantially from January, 1949, the total for the two months standing at \$34,500,000 as compared with \$87,900,000.

Purchases from the United Kingdom during February rose in value to \$25,400,000 from \$22,900,000 a year earlier, while total exports -- domestic and foreign -- to the United Kingdom were down sharply to \$30,700,000 from

\$44,200,000. The favourable balance of trade consequently fell to the small figure of \$5,300,000 as compared with \$21,400,000 a year earlier, the two-month total being down to \$28,000,000 as against \$51,900,000 in 1949.

In trade with all countries, Canada's credit balance declined in February to \$1,400,000 from the January figure of \$11,800,000, showing a closely similar movement to last year when the credit balance fell to \$1,200,000 in February as compared with \$15,200,000 in January. Aggregate balance for the first two months was thus lower at \$13,200,000 as against \$16,400,000 for the same 1949 period.

Both commodity imports and exports in February were lower in value than in January, in keeping with the normal peacetime trend, and both were also below the values for February last year. Imports were valued at \$200,200,000 as compared with \$211,900,000 in January and \$206,000,000 in February, 1949. Domestic exports -- as earlier reported -- declined to \$199,500,000 from \$221,200,000 for January and \$205,000,000 for February a year ago, while foreign exports were valued at \$2,100,000 compared with \$2,600,000 and \$2,100,000 respectively.

Besides the decrease from the United States, February imports were lower in value than a year earlier from Latin America, continental Europe and Commonwealth countries as a whole (excluding the United Kingdom) and higher in value from the remaining foreign countries as

UN CONCILIATION PANEL: The Secretary of State for External Affairs announced on April 6, that the following five persons have been designated by the Government of Canada to serve as members of the United Nations Panel for Inquiry and Conciliation: Senator L.M. Gouin, Rt. Hon. Chief Justice J.L. Ilsley, Senator Norman P. Lambert, Rt. Hon. Vincent Massey, and the Hon. Chief Justice Sir Albert Walsh.

On April 28, 1949, the United Nations General Assembly adopted a resolution providing for the creation of a panel for inquiry and conciliation to be available to any States involved in controversies, and to the General Assembly, the Security Council, and other subsidiary organs when exercising their respective functions in relation to disputes. Each member state was invited to designate from one to five persons deemed to be well-fitted to serve as members of Commissions of inquiry or of conciliation.

ICAO HAVANA CONFERENCE: A careful examination into the needs and requirements of international flight in the Caribbean area will be made by an ICAO regional air navigation meeting which opened in Havana, Cuba on April 11, the International Civil Aviation Organization has announced.

The current session is the second ICAO regional air navigation meeting held for this area. It will review the plan drawn up by the first Caribbean meeting in September 1946; this plan involved consideration of the existing facilities for airports, navigational aids, communications, air traffic control, meteorology, operations, and search and rescue, and determination of the additional facilities required and the operating procedures necessary for the safe and efficient development of international air transport in the region. A review is necessary now in the light of the changes which have taken place in the last few years in the nature and extent of civil aviation operations in the Caribbean. New air routes have been opened since 1946, and certain of the long-established routes are now being flown by more modern types of aircraft which demand improved or modified facilities because they either cruise at higher speeds or fly at greater altitudes than their predecessors. Progress made in implementing the earlier regional plan will be studied and alterations will be introduced to allow for operational changes anticipated in the foreseeable future.

At the same time a study will be made of the allotment of radio communication frequencies in the area, and a plan prepared by which these frequencies may be assigned to make best use of the small number of radio channels available to civil aviation.

Canada is among the 27 ICAO member states invited to participate.

CARIBBEAN AIR CONFERENCE: Stuart Graham, of Montreal, Canadian Commissioner to the Air Navigation Commission of the International Civil Aviation Organization, will head a Canadian delegation which will leave for Havana, Cuba, this week to attend the Second Caribbean Regional Air Navigation meeting. Talks will get under way on April 11, and are expected to last about three weeks.

M.M. Fleming of the Civil Aviation Division of the Department of Transport will serve as alternate delegate to Mr. Graham. Advisers to the Canadian delegation include two other officers of the Department of Transport; M. Brant of the Radio Division and C. Bogart of the Civil Aviation Division; two R.C.A.F. officers: W/C W.P. Pleasance, representative to I.C.A.O. and S/L S.R. Miller, Search and Rescue specialist; and three officers of Trans-Canada Air Lines: B.A. Rawson, C.J. Campbell and S. Stevens connected with flight operations and communications.

The purpose of the meeting, at which states and international aviation organizations interested in Caribbean operations will be represented, is to examine the problems of air navigation and operations in the region. The delegations will prepare and plan all aids to navigation and recommend practices in the region, making recommendations to the Council of I.C.A.O. regarding facilities, services, and priorities on the international civil air routes and stimulate the development of aviation and safety measures within the region.

Accordingly, a meeting of communications experts will convene to discuss a radio frequency assignment plan for aeronautical stations serving the major world air routes traversing the region as well as to those routes within the region covered by regional and domestic services.

While Canada does not lie within the Caribbean region, it has a considerable interest in the region since the inauguration of air services to the Caribbean by the Trans-Canada Air Lines.

PURCHASE "AVENGER" U.S. AIRCRAFT: Negotiations have been completed for the purchase from the United States Government of a number of Grumman Avenger aircraft for the Royal Canadian Navy, the Minister of National Defence, Mr. Claxton, announced on April 6.

The Avenger is a wartime torpedo-bomber which performed with outstanding success in the Pacific theatre and has since been adopted as a standard anti-submarine aircraft by the United States Navy. It will be employed in the latter capacity by the R.C.N. and will be flown by 825 and 826 anti-submarine squadrons of the 18th Carrier Air Group.

"The Avenger has been adopted by the Royal Canadian Navy for use as an anti-submarine weapon because it has proven to be a most

suitable aircraft for this highly important role," Mr. Claxton stated.

"Because of its long range, ease of maintenance, heavy load carrying capacity and rugged construction, it is admirably suited for adaptation to the modern concept of anti-submarine warfare.

"An additional advantage is the easy procurement of spare parts, and another important feature, which will be welcomed by the United States and Canadian Navies, will be the fact that in joint training schemes squadrons can be exchanged by Canadian and American aircraft carriers with a minimum of difficulty."

The Avenger is also well known to the Royal Navy, a number of British naval air squadrons having been armed with this aircraft during the war.

POLAR WEATHER STATION: The Department of External Affairs announced on April 6 that the annual spring re-supply of the Canadian-United States Arctic weather stations, in which the Royal Canadian Air Force will this year cooperate with the United States Air Force, is now under way.

This air transport operation to the weather stations in the north of the Canadian Arctic islands, established jointly by the Meteorological Division of the Canadian Department of Transport and the United States Weather Bureau, will be carried out from the central joint weather station at Resolute Bay, Cornwallis Island. It will include the establishment of another joint weather station - the most northerly in North America - at the northeastern tip of Ellesmere Island. The new station will be some 500 miles from the North Pole and is to be named Alert after Sir George Nares' ship which wintered in the vicinity in 1875-76.

TRANSPORTATION OF SUPPLIES

The supplies to be transported include provisions, scientific instruments and fuel oil moved by ship to Resolute last summer. These will be delivered to the joint stations at Mould Bay, Prince Patrick Island; Isachsen, Ellef Ringnes Island; and Eureka on the west coast of Ellesmere Island. The spring air lift will continue until the end of April or early in May. While there will be sunshine 24 hours a day in the northern Arctic before the end of April, minimum temperatures will remain far below zero until about May 15.

The joint stations are each staffed by a Canadian officer-in-charge and equal numbers of United States and Canadian weather service personnel. Replacement staffs will take up their duties this spring when the stations are re-supplied. Weather reports from the joint Arctic stations are transmitted four times daily by radio to Edmonton, Alberta, and teletyped from there for distribution to forecast centres on the North American continent. They also receive world-wide distribution.

Since the inception of the joint Arctic weather station programme in 1947, the United States Air Force has carried out the air lift to the four joint stations at present established. This spring the U.S.A.F. is using C-47, C-82 and C-54 type planes of the Military Air Transport Service, and the R.C.A.F. is participating with a North Star transport from 426 Squadron, Dorval, P.Q. The scale of R.C.A.F. participation in the supply of the joint weather stations by air will be increased in 1951. It is expected that the R.C.A.F. will take over full responsibility for the work in 1952.

R. N. SUB. ASTUTE FOR R. C. N.: H.M. Submarine Astute, a 1,620-ton submarine of the Royal Navy, has been made available to the Royal Canadian Navy and Royal Canadian Air Force for anti-submarine training purposes and will be based at Halifax from April 10 to July 1, the Minister of National Defence, Mr. Claxton, announced on April 6.

The Astute, commanded by Lieut. P.H. Jackson-Sytner, D.S.C., R.N., will arrive in Halifax April 10. From then until June 5, she will engage in a series of exercises with ships and aircraft of the R.C.N., the latter flying both from the aircraft carrier Magnificent and the R.C.N. Air Station, at Dartmouth, N.S.

The opportunity will also be taken to provide personnel specializing in the Torpedo Anti-Submarine branch of the R.C.N. with practical experience in submarine detection and in carrying out attacks.

From June 5 to July 1, the Astute will exercise with aircraft from the R.C.A.F.'s Maritime Operational Training Unit and the recently-formed 405 Maritime Squadron, flying Lancasters from the Greenwood, N.S. Air Force station.

H.M. Submarine Astute is an "A" Class submarine and is one of the newer and larger types in operation with the Royal Navy. She is fitted with "snort" breathing apparatus, which allows her to operate submerged for long stretches at a time.

CURRENT EMPLOYMENT SITUATION: The Minister of Labour, Mr. Mitchell, in issuing a statement on the current employment situation, expressed satisfaction with the new Supplementary Unemployment Insurance Benefits Plan.

Generally speaking, he said, the new provisions were working out very well and many who had been deprived of regular unemployment insurance benefits, either through exhaustion of their benefit rights or by not being previously covered under the Act, had benefited.

As anticipated, there has been a heavy response to the new programme of supplementary unemployment insurance benefits. Between February 28 and March 16, a total of 59,000 persons had applied for supplementary benefits.

Of this number, about 35,000 were persons who were not registered with the National Employment Service at the time this programme was started.

The employment situation in many sections of the country continued to show the slow improvement usual at this time of the year, although there have been a few temporary setbacks in certain areas.

IN PACIFIC REGION

In the Pacific region, there has been a steady and substantial decline in the number of registered job seekers since the middle of February. This decline now totals about 15,000. Job openings are continuing to increase in the manufacturing and transportation industries and in some farming districts, and an increasing number of skilled construction workers are returning to work. Construction, agriculture, trade and transportation will become steadily more active in the next few weeks.

On the other hand, increased seasonal activity has been offset by the completion of hauling in the logging industry in many parts of Quebec and the Maritime provinces, a reduction in the Newfoundland winter work programme, and layoffs in a large automobile company and some feeder plants in the Windsor area.

Exclusive of new registrations for supplementary benefits, there were 375,900 persons seeking work through National Employment Service offices on March 16, an increase of 3,000 over the comparable figure of March 2, but 5,000 less than the number on February 9.

RESERVES OF U.S. DOLLARS: The Minister of Finance, Mr. Abbott, announced on April 6, that Canada's reserves of gold and U.S. dollars were \$1,192 millions on March 31, 1950, a drop of \$12 millions from the figure reported in the Budget, which was for the close of business on the Saturday preceding the Budget. This drop was related to the beginning of the seasonal transfer of earnings on United States investments in Canada, to which the Minister referred in the Budget Speech.

The comparable figure for December 31, 1949, was \$1,117 millions, for January 31, 1950, \$1,149 millions, and for February 28, 1950, \$1,176 millions. At the end of March, 1949, the figure was \$1,067 millions. All these figures are in terms of U.S. dollars.

SALUTE CANADIAN WARSHIPS: Guns roared, whistles screamed and fireboats heaved sheets of water skyward as the three Canadian warships, "Magnificent", "Micmac", and "Swansea", steamed into the port of New York for a courtesy call on April 7, the first courtesy visit of a Canadian naval unit to a United States port.

The "Magnificent" and "Micmac" were in the Caribbean for six weeks participating in combined international exercises with Task Force 21 of the United States Atlantic Fleet, and left New York on April 12 to complete the return voyage to Halifax.

RAILWAYS IN THE RED: Railways operating revenues and expenses reached new high record levels in 1949. Operating revenues rose to \$885,354,000 from \$866,549,000 in 1948, and expenses advanced to \$822,572,000 from \$798,411,000. The net result was an operating income of \$31,469,000 for 1949, a decrease of \$3,503,000 from the previous year's revised total of \$34,972,000. As in 1948, Canadian railways again failed by a considerable margin to earn sufficient operating income to meet interest and other obligations despite near-record levels of activity and peak earnings.

Reviewing the year's operating revenues, each account registered an increase over 1948. Freight earnings rose 1.3 per cent or \$8,836,900 to \$701,081,900 -- a new record -- while passenger revenues were up 1.8 per cent or \$1,505,200 from 1948 to \$84,392,000. Mail receipts rose 1.5 per cent, while express gained 10.7 per cent or \$3,464,400 to \$35,738,600 -- an all-time high. Other passenger train earnings increased 14 per cent, and the miscellaneous accounts, 9.5 per cent. Operating expenses show increases of 3.1 per cent or \$4,948,700 in maintenance of way and structures which required \$162,086,500 during 1949, while maintenance of equipment advanced \$11,664,500 over 1948 to \$184,705,100. Traffic expenses were up five per cent to \$17,561,500. Transportation account at \$402,536,200 increased \$2,901,300, and general expenses were 8.8 per cent heavier at \$41,161,500.

MONUMENTS BOARD APPOINTMENT: The appointment of Charles E.A. Jeffrey M.B.E. of St. John's, Newfoundland, as a member of the Historic Sites and Monuments Board of Canada, has been announced by the Minister of Resources and Development, Mr. Winters. Mr. Jeffrey, who is well-known in educational and journalistic circles, has been editor of the St. John's Evening Telegram since 1923.

LABOUR FORCE SURVEYS: Detailed statistics on the results of each of the 17 quarterly labour force surveys conducted by the Bureau of Statistics since their inception in the Fall of 1945 to the end of 1949 are contained in a reference paper issued on April 5. It contains details on the size of the labour force, persons with jobs and persons without jobs seeking work, by region, sex and age. Estimates of the number of persons not in the labour force are included.

PRODUCTION

Domestic electric refrigerators and washing machines were turned out in Canada in greater volume in 1949 than in any previous year - 177,854 units of electric refrigerators, an increase of 28 per cent over 1948, and 350,884 washing machines, an increase of 8 per cent over 1948.

Sales of radio receiving sets by Canadian producers in 1949 totalled 728,680 units valued at \$55,323,941, an increase of 22 per cent in number over the 596,467 units valued at \$49,351,338 sold in the preceding year, but still about 13 per cent below the post-war peak of 836,419 sets sold for \$60,399,221 in 1947.

Production of new primary copper in January was 22,212 tons as compared with 23,640 in December and 20,805 in January last year. Nickel production in January decreased to 10,206 tons from 10,675 in the preceding month and 11,180 a year ago.

Production of pig iron and steel moved to higher levels in January. The month's output of pig iron rose to 190,432 net tons from 172,002 in the preceding month and 183,074 in the corresponding month last year, and steel ingots and castings to 289,949 net tons from 263,949 in December and 284,707 a year ago.

Shipments of asbestos from Canadian mines during January increased 17 per cent, amounting to 57,172 tons as compared with 48,872 in the corresponding month last year. Exports in the month stood at 54,759 tons, an advance of 26 per cent over the 43,437 tons exported in the same month last year.

Sales of electric storage batteries and parts by principal Canadian producers in January were valued at \$1,162,127 as compared with \$1,637,617 a year ago.

Production and shipments of Portland cement by Canadian manufacturers were higher in January this year than in the same month last year. The month's output amounted to 1,252,505 barrels as compared with 1,121,659, and the shipments aggregated 652,769 barrels as against 621,044.

Canadian production of iron and steel wire nails reached a high total of 89,700 tons in 1949 as compared with 85,700 in the preceding year, an increase of five per cent. In December, 8,000 tons were produced as compared with 8,300 in November and 7,100 a year earlier.

Releases of cigarettes for consumption in Canada rose to 1,459,000,000 in February from 1,408,000,000 in the preceding month and 1,183,000,000 in the corresponding month last year.

Canadian production of beer in February amounted to 424,400 barrels as compared with 456,700 in the preceding month and 390,700 in the corresponding month last year.

February production of new spirits totalled 1,690,000 proof gallons compared with 1,940,000 in January and 1,910,000 a year ago, bringing the two-month total to 3,630,000 gallons compared with 3,870,000 a year earlier.

IN PARLIAMENT

Drawing attention to a press release in which it was stated that Tim Buck, leader of the Communist Labour-Progressive Party in Canada, was attending a communist convention in Hungary, Mr. T.H. Goode, (Burnaby-Richmond) in the House on April 5, declared:

"I suggest, Mr. Speaker, it is about time that this House of Commons should demand that Communists of the type of Tim Buck be put in a place that would preclude their opportunities of attending such conventions to allow them to come back to Canada and spread the communist doctrine among others."

Mr. Gordon Graydon, (Peel) asked the Secretary of State for External Affairs, Mr. Pearson, if Tim Buck were granted a passport to go overseas in connection with the mission to which reference had been made.

Mr. Pearson: I assume that the gentleman in question -

An hon. member: Gentleman!

Mr. Pearson: - if I may call him that, is the possessor of a Canadian passport. I have no knowledge of the circumstances under which it was issued, or when it was issued.

Asked by Mr. Goode if the Minister had the power to revoke such a passport, Mr. Pearson replied:

"I do not know of any occasion on which a passport in the possession of a Canadian citizen has been revoked. Whether I have the legal power to do that, on the assumption that I could get hold of the passport, is something I should like to look into before I answer."

The initial price of wheat for the 1950-51 crop year has been set at \$1.40 per bushel, basis No. 1 northern wheat in store Fort William, Port Arthur or Vancouver; the Minister of Trade and Commerce, Mr. Howe, announced in Parliament on April 5.

The House of Commons adjourned on April 5 until Monday, April 17.

MEAT EXPORTS DOWN: Canadians consumed more meat in 1949 than in the preceding year, but both production and exports were lower, according to the Bureau of Statistics. Per capita consumption in 1949 rose to 139.2 pounds from 134.5 in 1948, but production of meats from live stock slaughtered, together with estimated meat equivalent of animals exported alive was 2,131 million pounds, a decrease of five per cent from the 1948 production of 2,235 million. Exports of meats, on a cold dressed carcass basis fell to 205,669,000 pounds from 418,313,000 in 1948. These figures compare with a 1935-39 average of 193,436,000 pounds. Exports of all kinds of live animals except calves were also lower than in 1948.

The most significant decline in exports was in pork which fell to 76,060,000 pounds from 229,496,000 pounds, and was less than half the 1935-39 average of 176,630,000 pounds. Beef exports were also lower at 105,121,000 pounds as against 133,822,000, mutton and lamb at 3,906,000 pounds compared with 5,056,000, and canned meats at 13,312,000 pounds compared with 43,079,000.

Per capita consumption of pork rose to 59.3 pounds from 53.9 pounds in 1948.

UNEMPLOYMENT INSURANCE: Claims for unemployment insurance benefits in February numbered 125,511, down sharply from the preceding month's total of 196,624, but higher than last year's February total of 108,759. Initial and renewal claims, representing mainly new cases of unemployment among insured persons, totalled 109,282 in February as against 182,053 in January and 93,463 a year earlier. On the last working day in February, ordinary claimants on the live unemployment register numbered 286,163 compared with 297,238 at the end of January and 208,818 on the corresponding date last year.

WHEAT SUPPLIES DOWN: Supplies of Canadian wheat available for export and carry-over on March 1 this year amounted to 198,200,000 bushels, showing a decrease of 19,900,000 bushels from last year's corresponding total of 218,100,000 bushels, according to the Bureau of Statistics.

Exports of Canadian wheat and wheat flour in the first seven months of the current crop year -- August to February -- amounted to 131,600,000 bushels as compared with 116,600,000 in the similar period of 1948-49. Wheat exports in the period totalled 105,400,000 bushels compared with 86,100,000, and wheat flour exports in terms of wheat amounted to 26,200,000 bushels compared with 30,500,000.

Carry-over stocks of wheat at the start of the present crop year amounted to 102,400,000 bushels compared with 77,700,000 a year earlier. The new crop was estimated at 367,400,000 bushels compared with 386,300,000. With

small imports of wheat and wheat flour added, the total supply amounted to 469,800,000 bushels as compared with 464,300,000.

Domestic requirements for the crop year were estimated at 140,000,000 bushels compared with 129,600,000, and the quantity available for export or carry-over in the crop year totalled 329,800,000 bushels compared with 334,700,000.

\$600,000 FOR UNICEF: The Secretary of State for External Affairs, Mr. Pearson, announced on April 12 that the Government would ask Parliament to vote the sum of \$600,000 as a contribution to the United Nations International Children's Emergency Fund. This money will be used by the Children's Fund to purchase dried salt codfish in Canada.

The Minister commented on the excellent work which UNICEF was doing in carrying out demonstration and feeding programmes for under-nourished children of many nations. The purchase of the fish, he said, would be of advantage to the Canadian fishing industry particularly in Newfoundland. At the same time this purchase indicated the value placed upon dried fish in UNICEF's nutritional programme.

Tenders on behalf of UNICEF have already been called by the Canadian Commercial Corporation.

MOTOR VEHICLES FINANCING: Sales and financing of sales of motor vehicles continued to show large gains in February, passenger cars accounting for all of the gain in the sales of new vehicles, and for a large part of the financing in the new and used class. Greater gains were registered in the financing of sales of new vehicles than in used vehicles.

Sales of new motor vehicles in February totalled 29,497 units with a retail value of \$58,581,025 as compared with 14,496 units sold for \$31,487,883 in February, 1949. There were 23,310 new passenger cars sold for \$46,176,023 as compared with 8,036 at \$17,466,515. New truck sales numbered 6,159 compared with 6,414, retailing for \$11,898,956 as compared with \$13,117,502.

DAILY FARM NEWS SERVICE: The news service supplied by the weekly 'Farm News' press clip sheet, issued regularly by the Department of Agriculture during the past fifteen years, will from now on be replaced by a day to day service and news items will go forward as soon as the information becomes available.

This announcement was made on April 6 by S.R.N. Hodgins, Director, Information Service, Department of Agriculture, Ottawa. Mr. Hodgins also announced that this daily service would be supplemented by frequent issues of a bulletin, patterned after the 'clip sheet', containing short items as well as information

dealing with farm practice and experiments in which the time of release is not an essential factor.

The 'clip sheet' had a wide distribution in Canada as well as internationally and this change, Mr. Hodgins stated, would in no way reduce the service to the recipients, but would rather expand it.

U.S. LEGION OF MERIT: Announcement of the award of the United States Legion of Merit, Degree of Commander, to Air Vice Marshal A.L. Morfee, CBE, of Granville Ferry, N.S., was made on April 6.

The award is for A/V/M Morfee's "exceptionally meritorious conduct in the performance of outstanding services" during the war years, and for his post-war work as a member of the Permanent Joint Board of Defence.

A native of London, England, A/V/M Morfee served in the Canadian forces for more than 30 years. His military career began during the First World War when he served as a private in the Canadian Expeditionary Forces. Later he served with the Canadian Air Force and the Air Board, and was one of the original members of the RCAF when it was formed in 1924. He retired from the RCAF in September 1948.

"CANADIAN OCCUPATIONS": The Minister of Labour, Mr. Mitchell, on April 12, made a further announcement on the "Canadian Occupations" series of booklets and pamphlets. The final number in the construction trades group, entitled "Electrician" is now being issued. The Minister stated that several others, dealing with professions, trades, and industrial groups of occupations, are in an advanced stage of production.

INDUSTRIAL EMPLOYMENT DOWN: Industrial employment in Canada showed a further pronounced recession at the beginning of February, the working forces of 21,028 representative establishments falling 3.4 per cent as compared with January 1. The loss was due to some extent to seasonal movements, but also resulted in part from unfavourable weather in many parts of the country, notably in British Columbia. There were decreases in all provinces, while industrially there were also widely-distributed losses, those in trade and construction being particularly large.

Although the general index number of employment, at 187.3 per cent of the 1926 average as 100, showed an above-average decline from January 1, and was 1.7 per cent below the February 1, 1949 level, it exceeded that indicated at mid-winter in any earlier year of the record. Rising fractionally from January 1, 1950, the index number of payrolls was slightly above that for February 1 last year, and was also higher than at the same date in any preceding winter.

At \$43.90, the average weekly earnings of men and women employed by leading firms in the major non-agricultural industries were the highest in the record, exceeding by nine cents the previous maximum reached at December 1, 1949. It was 2.3 per cent higher than at February 1 last year.

THE PROVINCES

The most Western Province presented a golden mace to the Legislature of the most Eastern Province in a ceremony at St. John's, Nfld., on April 5, when Herbert Anscombe, Deputy Premier and Minister of Finance of British Columbia, presented the mace to the Speaker of the Newfoundland Legislature.

Quebec's second session of the 23rd Legislature ended on the afternoon of April 5. In all 44 bills were passed during the session, including the Provincial Lottery Bill. Sir Eugene Fiset, who prorogued the Legislature, concludes ten years as Lieutenant Governor on June 11.

Premier Frost of Ontario stated in the Ontario Legislature on April 5 that the Royal Commission on Education, appointed in 1945, is preparing the final draft of its report to be submitted to the Ontario Government.

(Continued from p. 1)

well as the United Kingdom. Changes in values for geographic areas, however, were generally of moderate proportions.

Among the decreases, imports from Latin America, were valued at \$10,571,000 as against \$13,689,000, most of the decline being accounted for by a drop from \$6,171,000 to \$3,487,000 in purchases from Venezuela. Imports from Europe declined only to \$5,492,000 from \$5,916,000, with no particularly marked gains or losses for individual countries. Total value of imports from other foreign countries was up to \$3,925,000 as compared with \$2,519,000.

Imports from Commonwealth countries in Asia increased in value during February to \$7,217,000 from \$5,043,000 last year, substantially higher figures for India and Ceylon outweighing a decrease for Malaya. Increased purchases from British East Africa resulted in an increase also in imports from Commonwealth countries in Africa to \$1,446,000 compared with \$1,175,000. Imports from the British West Indies group, however, again declined to \$1,076,000 as against \$2,127,000 a year ago; while, in contrast with a January gain, imports from the Oceania group fell off to \$1,517,000 compared with \$3,538,000. Aggregate value for these Commonwealth groups was down only slightly to \$11,262,000 as against \$11,886,000.

DR. ALBERT ROPER RETIRING: Dr. Albert Roper will retire as Secretary General of the International Civil Aviation Organization in 1951, according to an announcement made on April 13 at ICAO Headquarters in Montreal.

Dr. Roper has been in the service of international aviation for more than thirty years. He was Secretary of the Aeronautical Commission of the 1919 Peace Conference which was responsible for the preparation of the Convention of Paris, the first international agreement in the field of aerial navigation to achieve wide-spread acceptance.

In 1922, when this Convention was ratified by a sufficient number of nations and the International Commission for Air Navigation came into being, he was appointed its Secretary General, a position which he held for twenty-five years. During this period international aviation became one of the major means of world transportation. When ICAO came into existence after the war to replace ICAN, Dr. Roper became its first Secretary General.

Born in France, Dr. Roper is a Doctor of Law of the Faculté de Droit de Paris. He served during the first world war as a pilot with the French Air Force. He is an Officer of the Legion of Honour, Commander of the Order of the British Empire, and has received decorations from other nations.

COMMERCIAL FAILURES HIGHER: Commercial failures under the provisions of Bankruptcy and Winding Up Acts showed a further marked increase in number and defaulted liabilities in 1949, continuing the upswing from the war-time low reached in 1945. The year's total of business failures was 1,066, up 31 per cent over the preceding year's total of 813, and the highest since 1940 when 1,173 failures were reported. The defaulted liabilities amounted to \$21,356,000, up 35.8 per cent from 1948, and the largest since 1934 when the aggregate was \$23,598,000.

Failures in Quebec rose to 827 from 613 in 1948, and their defaulted liabilities moved up to \$12,842,000 from \$10,622,000. In Ontario there were 131 failures with liabilities of \$5,222,000 compared with 116 failures and liabilities of \$2,728,000 in 1948. In British Columbia there were 55 failures compared with 41 with liabilities of \$1,985,000 compared

with \$1,612,000. Totals for the other provinces were comparatively small.

Failures in trade during the year increased to 374 from 289 in 1948, in manufactures to 232 from 188, service to 203 from 144, construction to 94 from 77, transportation and public utilities to 46 from 30, and finance to 19 from four.

MINERAL PRODUCTION RECORD: Ontario accounted for slightly more than a third of the total value of minerals produced in Canada in 1949, Quebec being next in order with 18 per cent, British Columbia third with 15 per cent, and Alberta fourth at 13 per cent, according to the preliminary annual report containing detailed statistics for the year released by the Bureau of Statistics.

The all-Canada total reached a record figure of \$890,200,000, showing an increase of 8.5 per cent over the previous peak of \$820,249,000 in 1948. The 1949 value includes for the first time an amount of \$25,681,500 for Newfoundland, representing 2.9 per cent of the all-Canada total. The total value for the other nine provinces and two territories in 1949 was \$864,500,000, up 5.4 per cent over 1948.

Ontario's output in the year was valued at \$315,323,400 as compared with \$294,239,700 in the preceding year, Quebec \$163,962,200 compared with \$152,038,900. British Columbia \$133,395,400 compared with \$148,223,600, and Alberta \$116,171,900 compared with \$93,211,200.

LIVING COSTS HIGHER: Regional cost-of-living indexes for eight Canadian cities all moved higher during February, sharp upturns in the group indexes for foods and rents being mainly responsible. Fuel costs were slightly higher at Montreal, while homefurnishings and services rose fractionally at Toronto.

Composite city index advances between February 1 and March 1 were as follows: Toronto, 3.1 points to 160.7; Winnipeg, 2.5 to 158.8; Montreal, 2.4 to 166.6; Vancouver, 1.8 to 165.2; Halifax, 1.7 to 155.0; Saint John, 1.7 to 159.5; Edmonton, 1.4 to 159.5; and Saskatoon, 0.9 to 164.5. During the same interval, the national index moved up 2.1 points to 162.4.



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WEEK'S EVENTS IN REVIEW

TRADE OUTLOOK FOR 1950: Canada's trade outlook for 1950 is for a substantial rise in exports to the United States together with a fall in imports from that country, and a drop in exports to the United Kingdom and the rest of the world, the Minister of Trade and Commerce, Mr. Howe, told Parliament on March 31, in introducing the estimates of the Department of Trade and Commerce. The markets for staple products, such as wheat flour, metals, lumber, pulp and paper, he said, seemed to be in excellent condition.

In reviewing the trading position of 1949, the Minister noted that trade with the United States amounted last year to about \$3,500 million, which was by far the largest trade between any two other countries in the world and was larger than the trade of the United States with any other four countries in the world. In January and February of this year exports to the United States were up \$38 million and imports from the United States down \$15 million, a trend, he said, which was likely to continue throughout the year.

His forecast of trade with the rest of the world in 1950 was as follows:

"We expect some drop in our exports to the United Kingdom and to the rest of the world. We have not been able to measure the extent of the drop. In the first two months of the year there was a drop in exports to England of \$20 million, but it is not definite at the moment whether that fairly indicates the trend. The

drop of \$20 million in January and February was accounted for almost entirely by lower shipments of wheat. The reason shipments of wheat were lower was that we found it impossible to deliver wheat in sufficient quantity at the seaboard to meet commitments and had to ask the Government of the United Kingdom to permit us to postpone shipments of a substantial amount of wheat. That wheat will come back into the trade figures in April and May, and I am not sure that the drop of \$20 million in January and February is particularly significant.

"We know that the Government of the United Kingdom has in hand a belt-tightening programme designed to save dollars and we are pretty certain to feel the effect of that programme over the new year. On the other hand we believe that there will be an increase in imports from the United Kingdom as a result of the current dollar-sterling effort and in consequence of efforts that have been made already.

"So far as the rest of the world is concerned, the situation in Argentina is disturbing to the point where we have been able to trade very little. Dollar markets have been practically closed in that country. Trade with the rest of South America continues on a fairly stable basis, and the probabilities are that exports to overseas countries, excluding the United Kingdom and the sterling area generally, will be on about the same level as those of the past year...."

GROSS NATIONAL PRODUCT NEARLY \$16 BILLION

NATIONAL INCOME \$13 BILLION: Preliminary estimates by the Bureau of Statistics indicate that Canada had a gross national product and expenditure of more than \$15.9 billion in 1949, an increase of three per cent from the revised estimate of nearly \$15.5 billion for 1948. In volume terms, the Bureau estimates the gain last year over 1948 at two per cent.

National income increased in 1949 to \$13.0 billion from the revised estimate of \$12.5 billion in 1948. This gain of four per cent is fully accounted for by a rise of seven per cent in salaries, wages and supplementary labour income, placed at \$7,630 million as against \$7,113 million in the previous year. Agricultural income, which showed a sharp rise in 1948, was down four per cent, from \$1,660 to \$1,587 million, despite higher wheat adjustment payments, while net income of other unincorporated business advanced to \$1,272 from \$1,252 million. Investment income also rose slightly to \$2,373 from \$2,348 million, a decline in corporation profits -- largest component of investment income -- being more than offset by increases in other components.

The most striking change shown in the components of gross national expenditure was a marked decline in the rate of inventory accumulation. There was no noticeable increase in inventories at the end of 1949 over 12 months earlier, whereas there was an increase of \$646 million or four per cent of gross national expenditure in 1948. In physical terms, an

actual reduction of inventories last year is indicated.

Gross home investment increased in housing to \$753 million from \$647 million the previous year, and in plant and equipment to \$2,076 from \$2,016 million. However, housing alone showed an increase in volume.

Consumer spending rose seven per cent from \$10.1 to \$10.8 billion, representing -- after allowance for price increases -- an advance of two per cent in real consumption. The largest volume increase in consumer spending was on durable goods, such as automobiles and furniture, amounting to 10 per cent. On the other hand, spending on semi-durable goods, although slightly higher in value, actually declined in physical terms.

Government expenditure on goods and services increased to \$2,108 million in 1949 from \$1,787 million in 1948, accounting for 13 per cent of gross national expenditure as compared with 12 per cent. Increased federal spending on national defence and on inventories in connection with price support programmes, and increased capital expenditure at provincial and municipal levels accounted for most of the change.

Exports of goods and services last year remained at approximately the 1948 level of \$4.0 billion, but imports increased from \$3.6 billion to \$3.8 billion. Thus net foreign investment declined substantially.

CHARGÉ D'AFFAIRES AT PRAGUE: The Secretary of State for External Affairs announced on March 31 the posting of Mr. Benjamin Rogers of the Information Division of the Department to Czechoslovakia as Chargé d'Affaires a.i. of the Canadian Legation at Prague. Mr. Rogers is replacing Mr. R.M. Macdonnell who was transferred from Prague to the Canadian Embassy, Paris, in December, 1949. It is expected that Mr. Rogers will leave for Czechoslovakia sometime in May.

Mr. Rogers was born in Vernon, B.C., August 3, 1911. He attended elementary and secondary schools in Charlottetown, P.E.I. and graduated from Dalhousie University with the degree of B.A. in Political Science. He later studied at the London School of Economics where he obtained the degree of M.Sc. (Econ.). Prior to joining the Department of External Affairs in 1938, Mr. Rogers was Acting National Secretary of the Canadian Institute of International Affairs. In December, 1939, Mr. Rogers was posted to the Office of the High Commissioner for Canada, Canberra, and was Acting High Commissioner from July, 1941, to January, 1942, and again from October-December, 1942. While serving at the Canadian Embassy in Rio de Janeiro he acted as Chargé d'Affaires on several occasions between 1944 and 1948.

PRIORITIES BRANCH TERMINATES: Operations of the Priorities Branch, Department of Trade and Commerce, will be terminated April 1, in view of the improved supply of building materials and labour, the Minister of Trade and Commerce, Mr. Howe, announced on March 30. Priority ratings will cease to have any effect after March 31.

To facilitate the procurement of equipment, materials and supplies by Canadian industries, and for the effective prosecution of World War II, the Priorities Branch was established in the Department of Munitions and Supply early in 1940. During the war, and for the reconversion period which followed, the Branch co-operated closely with the War Production Board and the Civilian Production Administration of the United States Government.

In 1946, a formal system of priority ratings was established to channel building materials required for the construction of housing and other projects essential to the national economy. These included military hospitals, military health and occupational centres, and other military establishments.

Primarily designed to meet the needs of veterans, the policy was broadened in March, 1949 to include civilian homes not exceeding a cost of \$10,000. Ratings were assigned to

individuals or their contractors where it was established that the house would be legally owned and occupied by the applicant. Included in the authorizations were the units built under the Veterans' Land Act and programmes sponsored by Central Mortgage and Housing Corporation, such as Veterans' Rental Housing, Integrated Housing, N.H.A. Control Sales Price dwellings and the Inter-Service Married Quarters programme for the Department of National Defence.

During operations from 1946 to date, priority ratings were granted for the construction of 105,691 homes.

EXPORT CREDITS INSURANCE CORP. Export sales of close to \$100 million have been declared by exporters under policies written since the Export Credits Insurance Corporation started business in 1945, according to the annual report of the Crown-operated corporation, tabled on March 29 in the House of Commons by the Minister of Trade and Commerce. Mr. Howe.

Declared export sales underwritten by the Corporation in 1949 amounted to \$35.8 million, almost twice the value for the previous year.

Policies covered a variety of agricultural products, raw materials and manufactured goods originating in all parts of Canada, and provided exporters with protection against unforeseen losses which arise in international trade. Policies issued by the Corporation insure exporters against risks not covered by commercial insurers, such as the insolvency of the foreign buyer, import and exchange restrictions imposed by foreign governments, and other risks which prevent the policyholder from receiving payment for goods he has sold.

Chairman of the Board, M.W. Mackenzie, reported that claims paid to exporters during 1949 amounted to \$515,201, a large portion of which resulted from exchange transfer difficulties, and that substantial recoveries are expected. After making full provision for all claims paid, the Corporation's operations for the year disclose an excess of expenditure over income of \$34,515. This amount has been charged to the underwriting reserve earned in previous years, which stands at \$751,210 at December 31, 1949.

INDUSTRIAL EMPLOYMENT LOWER: Employment in the major industrial divisions showed a further substantial contraction at the beginning of February, and the Bureau's advance index number, on the base 1926=100, fell to 187.3 from 194.0 at January 1, and 190.5 at February 1, 1949. Unfavourable weather conditions, particularly in British Columbia was a factor in the decline from January, which is in keeping with the trend at February 1 in the previous nine years.

In spite of the general falling-off in employment, weekly salaries and wages disbursed

by the co-operating establishments at February 1 showed an increase of 0.1 per cent as compared with the holiday week of January 1, and a gain of 0.7 per cent as compared with February 1, 1949. The advance figure of average weekly earnings was \$43.91 as compared with \$43.38 at January 1, and \$42.92 at February 1, 1949.

Curtailement in employment as compared with a month earlier was shown in all provinces. The declines in this comparison varied from two per cent in Ontario and 2.2 per cent in Nova Scotia, to 9.3 per cent in Saskatchewan and British Columbia. The provincial levels of employment were also generally lower than at the same date last year, except in Prince Edward Island, Manitoba and Alberta.

Industrially, the advance tabulations show that employment in manufacturing as a whole was lower than at January 1, the moderate decline in this group being contra-seasonal in character. Logging, transportation, construction and trade showed substantial and widespread reductions.

SECURITIES TRANSACTIONS: Sales and purchases of securities between Canada and other countries in January resulted in a sales balance for the fourth successive month. Net sales in January amounted to \$1,900,000, arising out of a total volume of \$39,900,000 as compared with total transactions of \$43,700,000 in December and an average monthly volume in 1949 of \$38,500,000.

The sales balance in January was due largely to transactions with the United States which have consistently produced monthly net sales since September last. The volume of trade in January was smaller than that occurring in the previous month, sales declining to \$19,900,000 from \$23,700,000, and purchases to \$16,400,000 from \$17,600,000.

Sales and purchases with the United Kingdom exceeded corresponding totals for the previous month, sales increasing to \$400,000 from \$100,000, and purchases to \$2,300,000 from \$1,700,000. Security transactions with other countries increased in January, sales advancing to \$600,000 from \$300,000, and purchases remained unchanged at \$200,000.

CARLOADINGS: Carloadings on Canadian railways during the week ended March 26 rose to 75,833 cars from 74,389 cars in the preceding week and 73,172 cars in the same week last year. Eastern loadings rose from 47,211 in 1949 to 50,560 cars as grain, dairy products, coal, lumber, gasoline, autos, woodpulp and paper, and miscellaneous manufactures moved in greater volume. Western shipments were down slightly from the same week of 1949 due to lower grain loadings, the regional total standing at 25,273 cars against 25,961 cars one year earlier.

UNESCO DELEGATION: The Secretary of State for External Affairs, Mr. Pearson, announced on April 3 that the Canadian Delegation to the Fifth Session of the General Conference of the United Nations Educational Scientific and Cultural Organization (UNESCO) will be as follows:

Head of Delegation: Mr. Jean Désy, Canadian Ambassador to Italy. **Delegates:** Dr. M.E. Lazerte, Mr. Garnet Page and Mr. Jacques de Tonnancour. **Alternate Delegates:** Mr. Sidney Pollock, Department of Finance; Dr. John E. Robbins, Bureau of Statistics and Mr. Paul Tremblay, Department of External Affairs.

Dr. Lazerte is Dean of the Faculty of Education of the University of Alberta and Vice-President of the Canadian Education Association. He is a past president of the Canadian Teachers' Federation. Mr. Page is General Manager of the Chemical Institute of Canada. Mr. de Tonnancour is a Montreal painter and a member of the Canadian Arts Council.

The conference at Florence will be held from May 22 to June 16, 1950. Its agenda will include a review of the basic programme of UNESCO, and consideration of the work plan of the organization and its budget for 1951. The representatives of 54 member states are expected to attend the conference.

IMPORT RESTRICTION REMOVED: Effective April 1, restrictions on the import of cast iron and steel scrap have been removed, the Minister of Trade and Commerce, Mr. Howe, announced on April 1. These restrictions applied to United States material only, and traders in these commodities will no longer be required to obtain an import permit from the Department of Trade and Commerce.

Import controls were first imposed in November, 1948, at the request of the United States Government, to assist the orderly movement of limited tonnages of scrap iron and steel into Canada at a time when the scrap shortage was very acute in both countries. The United States Government had previously set up strict regulations on the export of scrap iron and steel which were applicable to all countries except Canada. Inventories and reserves of these materials are now reasonably satisfactory in the United States removing the necessity for close supervision.

Export of scrap iron or steel from Canada, however, will continue under export permit control.

WHOLESALE PRICES RISE: Wholesale prices in Canada moved up in February, the general index number on the base 1926=100, rising to 158.0 from 157.1 in January. At this year's February level the index was one-tenth of a point below February 1949, and 1.6 points under the peak index of 159.6 for December, 1948.

ADMISSION OF JAPANESE: The Department of Citizenship and Immigration announced on April 4 that no person of Japanese origin who served in the Japanese armed forces in World War II has been given permission to enter Canada since the close of hostilities.

The statement was issued to clarify the present situation with respect to the admission of persons of Japanese origin, which was discussed at a recent meeting of the Immigration-Labour Committee of the Senate. During the meeting the Department was asked to give the number of persons of Japanese origin who had left Canada before the war to serve in the Japanese armed forces and had since been re-admitted to Canada.

Actually, the departmental announcement stated, there have been no Japanese nationals admitted to Canada from Japan as immigrants since the end of World War II. There were, however, a few Japanese nationals who had been in Canada under temporary status for many years, were granted permanent status subsequent to World War II, and were thus shown in Immigration Branch statistics as immigrants. This group and any United States citizens of Japanese race who were admitted to Canada since the end of World War II numbered twenty-four, three during 1946, two during 1947, six in 1948, and thirteen from January 1949, to date.

Canadian citizens of Japanese origin who had retained their Canadian domicile and who had not served in the Japanese armed forces in World War II were allowed to return to Canada and were therefore not classed as immigrants.

MANUFACTURING INVENTORIES: The value of inventories held by the manufacturing industries of Canada at the end of January was slightly above the December level but about five per cent under January last year, according to indexes compiled by the Bureau of Statistics. This year's January index, on the base 1947=100, stood at 126.9 as compared with 125.1 in December and 130.9 a year earlier.

SAFETY FILM WINS AWARD: The Minister of Labour, Mr. Mitchell, announced on April 4 that a Department of Labour safety film produced by the National Film Board in co-operation with the Information Branch of the Labour Department had been judged the outstanding non-theatrical motion picture in the occupational safety field produced in Canada and the United States in 1949. The award was made by the National Committee on Films for Safety, with headquarters at Chicago.

The picture, which was circulated throughout Canada during 1949, dealing with safe clothing in industry, is the fifth in the series of industrial safety films, "Accidents Don't Happen - They're Caused", produced for the Department of Labour.

(Continued from P.1)

The Minister dealt with official international trade discussions of the past year and touched on the International Trade Fair, which he held to be a useful agency for the promotion of trade. Then he proceeded:

"Canadian trade at the present time reveals a number of cross-currents and divergent trends which may well seem confusing. In fact a good many can be traced to the same source--the chronic world shortage of United States dollars. There have been two outstanding considerations in the development of Canadian trade. One is the over-all growth of both exports and imports have increased twofold and threefold in value in the last decade. The other is the increased proportion of our increased trade which we now carry on with the United States. There has been an increase from about fifty per cent in our total world trade in 1939 to 60 per cent of current world trade.

"We find that we now have, and I think we can expect to continue to have, a good market for staple products which Canada traditionally exports, such as wheat, flour, metals, lumber, pulp and paper. These markets seem to be in excellent condition and we do not expect any particular difficulty with such products. Canadian manufacturers are finding it easier to sell their manufactured goods in the United States than in Europe. I believe that our sales in Europe of manufactured goods depend largely on the amount of effort that is being put behind the selling....

AGRICULTURAL MARKETS

"Canada, he said later, must battle for agricultural markets, and in that battle Canada and the United States are handicapped in competing with producers in sterling countries. The dollar shortage plays its part but there is no indication that the markets are not sufficient to absorb Canadian products as well as those of sterling countries....

"Our sales are being guided by our Canadian Trade Commissioner Service abroad. We have able men in every country whose duty it is to warn us of market changes and to give us advice on market opportunities. I believe it is remarkable that when one market has been lost through restrictions or for other reasons, these Trade Commissioners have been able to find outlets for the same products in other markets. The world is wide and we know from experience that the loss of one market does not necessarily mean that no alternate market can be opened up.

"One very striking fact is in evidence; the seller's market is over. Today all markets are buyer's markets, and in every market the Canadian exporter meets tough competition. I am glad to say that our price structure in Canada is such that we are well able to meet that competition wherever we encounter it, in the United States or in world markets abroad. It seems to me that a buyer's market is a normal market, and I am not particularly disturbed

because of the fact that we are now in a market where the seller really has to work to dispose of his products.

"A great deal has been said about Marshall plan dollars. They are not nearly such an important factor in selling today as many would suppose. It is generally considered that to sell in the sterling market, or in any foreign currency markets, there must be Marshall plan dollars. That is not so. The supply of free dollars is increasing all around the world, and each year we are becoming less dependent upon the Marshall plan...."

A substantial rise in public investment was to be expected in 1950, the Minister said, and the trend was toward a larger proportion in business properties, hospitals and government investment generally. A smaller proportion was going into factories and machinery than in 1949. Short crops in 1949 would have an effect on exports in the early part of 1950, but his 1950 forecasts were based on average crops rather than the subnormal crop of 1949. The construction industry, he predicted, would have its biggest year in 1950; indications were that the newsprint industry would continue to run at capacity; the pulp industry was now running at full capacity, a condition that would also be likely to continue. Metal mining would make about the same contribution, in volume, if not in dollars; markets for fish would likely absorb Canadian production; among the industries that would be down was shipbuilding. The railroad equipment and machine tool industries would be largely dependent on domestic demand.

TRIP THROUGH EUROPE

Speaking of his trip through continental Europe, he said, in part:

"I found that I had underestimated the improvement that is taking place in ECA countries. It was evident on talking with responsible leaders in each country, and it was still more evident after going over the situation with Mr. Harriman and Mr. Katz in Paris. There is no doubt that Europe is making progress toward free convertibility of exchanges. A programme to that end is advancing towards completion. An ingenious programme has been worked out to work out balance of international payments problems and an aggressive leader, in the person of Mr. Sticker of Holland, has been placed at the head of the programme. I had a talk with him at The Hague, as a result of which I look for an early return of convertibility of currencies within Europe....

"It is hoped that it will include the pound. The British treasury is not fully in agreement, but would seem to be coming into line. The programme is hardly workable without the pound. The objective is a programme that will make the pound and European currencies freely convertible. You might take the offhand view that this will mean a European bloc, and that trade with America will be influenced

adversely. I do not agree with that view. I put that hypothesis before the officials in Paris and it seemed to me that their answers were satisfactory. They seem to have provided safeguards against inflation, and for preventing that market getting out of balance with our own market. It seemed to me that they had satisfactory answers to the questions that I asked in that regard; and I came away convinced that such an arrangement is a logical first step toward the return of convertibility of currencies throughout the world.

"I found that the countries I visited were becoming less dependent on Marshall aid, and more and more tending in the direction of the return of trade to private enterprise....

"I found the people in all four countries that I visited were working hard. That was particularly noticeable in driving about the country districts. Every square inch of land was being cultivated. Those who were working the land seemed to be cheerful and happy. Food was plentiful. There were no food restrictions in the countries that I visited. There was plenty of food at reasonable prices. Each of the countries had a population problem. The growth of population has outstripped the productive capacity of the soil. That fact is a worry in all of these countries. Wherever I went I met a discussion of the possibilities of immigration to Canada. We in North America, with plenty of land, are bound to give serious attention to that problem....

"The threat of communist domination which was very evident and very serious during my visit in 1947, seems to have been reduced to manageable proportions. There are still large numbers of Communists in France and Italy, but they are clearly in the minority. The dividing line has been drawn, and, assuming that the productiveness in those countries can be kept up, provided there is no shortage of food, I think the fear of communist domination in the four countries that I visited was much less than during my visit in 1947. I came back from that earlier visit feeling that there was a possibility that Communism would sweep western Europe, as it has swept eastern Europe. I came back this time with a very strong feeling that that would not happen...."

213 RCAF RESCUE OPERATIONS: The R.C.A.F. handled 213 Search and Rescue operations during 1949, flying more than 3600 hours, it is announced by Air Force Headquarters, Ottawa. Incidents ranged from an air drop of insulin for a passenger stranded on a snow-bound train in British Columbia to parachute jumps by Air Force para-rescue men to aid distressed flyers. In addition to the 213 total, in which R.C.A.F. aircraft or marine craft actually took part, the Air Force Search and Rescue organization co-ordinated many other operations which were carried out by other agencies.

Forty-two of the year's operations were connected with aircraft in distress, and 35

with marine craft requiring assistance. There were 116 "mercy flights", while 20 incidents were searches for missing persons and operations of varying types.

APPRECIATION FOR RCAF AND RCN: An expression of appreciation for the parts played by the Royal Canadian Air Force, the Royal Canadian Navy and Canadian civilians in the search for crew members of a United States Air Force B-36 lost off the north coast of British Columbia in February, has been received by Group Captain J.A. Easton, Group Commander, 12 Group Headquarters, RCAF, in Vancouver, from Major-General Roger M. Ramey, Commanding General, Eighth Air Force, USAF, Fort Worth, Texas.

The 16-man crew parachuted from the B-36 over Princess Royal Island, 350 miles north of Vancouver, when the aircraft's engines caught fire on the night of February 14. An intensive search was immediately launched, under the over-all direction of 12 Group Search and Rescue Headquarters in Vancouver.

When a fishing vessel found 10 of the missing men on Princess Royal Island, that became the focal point for the search. The Canadian destroyer Cayuga, from Esquimalt, commanded by Captain M.A. Medland, R.C.N. of Toronto, assumed full direction of the land search on the island.

FOUR UNACCOUNTED FOR

Two more men were rescued from the island by search parties from the destroyer, leaving four unaccounted for.

From February 15 to 22, more than 400 men scoured the island. They included personnel from the Cayuga, four U.S. Coast Guard cutters, the Canadian Army, the RCAF, the Alpine Club of Vancouver and white and Indian trappers. Aircraft, Canadian and American, carried out aerial searches and air-lift operations.

On February 22, when it became apparent that the four missing men were not to be found on the island, the ground search was called off. An empty life raft and wreckage indicated that the men probably had come down in the waters of Hecate Strait.

In his letter to Group Captain Easton, Maj. Gen. Ramey stated, "...Personnel and units under your control or supervision far exceeded the standards set for search operations by international agreements. This fine display of spirit and co-operation is most gratifying."

In forwarding Maj. General Ramey's letter on to Rear-Admiral H.G. DeWolf, Flag Officer Pacific Coast, Group Captain Easton stated:

"I would also like to take this opportunity of thanking the RCN for the wonderful co-operation given in the recent search for the B-36. It is indeed gratifying that in time of emergency and without warning our two Services can work so closely together in harmony to achieve a common objective."

NORTH ATLANTIC TREATY ORGANIZATION COMMUNIQUE

MR. CLAXTON'S STATEMENT: The Minister of National Defence, Mr. Claxton, on his return from The Hague, presented to the House of Commons on April 3 the communique issued by the Defence Committee of the North Atlantic Treaty Organization, and denied the accuracy of a news report stating that "Canadians felt that they were not getting enough information on technical advances because of a road-block between the Pentagon in Washington and London." He spoke as follows:

"having just returned, Mr. Speaker, from the meetings of the various committees under the North Atlantic Treaty which were held at The Hague and were concluded on Saturday night, I thought the House would like to have presented to it the communique issued by the Defence Committee after it had been approved by the Committee at its meeting Saturday evening. It is as follows:

'The Defence Committee of the North Atlantic Treaty Organization held its third meeting on April 1, 1950, at Juliana Barracks, The Hague, The Netherlands, at 10 a.m.

'The purpose of the meeting was to consider the work that has been accomplished by the Military Committee and the Military production and Supply Board since the second meeting of the Defence Ministers in Paris on December 1, 1949.

DELEGATES ATTENDING

'The Delegates attending the meeting were as follows: Belgium, Mr. Albert Deveze, Minister of Defence; Canada, Hon. Brooke Claxton, Minister of Defence; Denmark, Mr. Resmus Hansen, Minister of Defence; France, Mr. René Pleven, Minister of Defence; Italy, Mr. Rinaldo Pacciardi, Minister of Defence; Luxembourg, Mr. Pierre Dupong, Minister of State; The Netherlands, Mr. W.F. Schokking, Minister of Navy and War; Norway, Mr. Jens Christian Hauge, Minister of Defence; Portugal, Captain Americo Deus Rodrigues Thomaz, Minister of Marine; United Kingdom, Right Hon. E. Shinwell, Minister of Defence; United States, Hon. Louis Johnson, Secretary of Defence.

'At the Paris meeting in December the Defence Committee approved a board strategic concept which was later adopted by the Atlantic Council in January and directed the preparation of plans for the defence of the North Atlantic Treaty area.

'At its meeting the Defence Ministers unanimously approved the plan for collective self-defence that was recommended by the Chiefs of Staff in the Military Committee earlier in the week.

'Within a short space of six months the military planning organization has determined the general strategy of defence of the North Atlantic Treaty area, has prepared an estimate of the military situation if any attack be

launched against the Treaty nations, and has prepared plans for defence against such an aggression should it occur. These plans call for an integrated defence of the entire North Atlantic area as distinguished from individual national defence. Each nation, in accordance with article III of the Treaty, will help itself and the others in accordance with its available resources. Thus, for the first time, twelve independent and sovereign nations have achieved, through the democratic process of co-operation, a system for defending themselves and each other.

'The Defence Ministers acknowledged the speed with which the regional planning groups, the standing group and the Military Committee, achieved the first basis for their plans. At the same time they directed that the plans be kept under continuous review.

'They concerned themselves in particular with the role to be played by the Military Production and Supply Board which would insure the most efficient employment of the funds which are appropriated in each nation for military production, and they gave specific directives to this Board to implement standardization of equipment and to insure a co-ordinated production.

ADEQUATE FINANCING

'The Defence Ministers recognized the great importance of adequate financing to carry out the plan and the need for careful balancing of the respective national economies in the light of the present world situation. For this purpose they requested the Defence Finance and Economic Committee to survey the financial and economic potentialities available for defence purposes.

'Although considerable progress has been made since their last meeting in the attainment of collective security, which is the common goal of the Atlantic Treaty nations, the Ministers recognize that further sustained effort will be required. They adjourned with the strengthened conviction that the organization being set up would allow the countries to insure their defence both economically and efficiently.

'Mr. Louis Johnson, United States Secretary of Defence, served as Chairman of the meeting, and he expressed the gratitude of the Committee to The Netherlands Government for the kind invitation to meet in The Hague and the hospitality provided.

'The time and place for the next meeting will be determined as events require.

'That concludes the communique that was approved. I should like to add that in warmth of welcome, hospitality, and the excellence of the arrangements, the Government and people of The Netherlands did everything possible for the success of the meeting. Their attitude

also showed that the name of Canada still continues to stand high in the hearts and minds of the people and Government of that friendly nation.

"I should like to say also, Mr. Speaker, that in this connection there is a report appearing in the press of today under a Canadian Press dateline, referring to an Associated Press story, which reads:

'The AP story added: The Canadians felt they were not getting enough information on technical advances because of a road-block between the Pentagon in Washington and London.'

"I want to make it perfectly clear that nothing like this was said by any member of the Canadian delegation at The Hague, and that nothing like this was felt. Our arrangements for securing information, either from the United States or from the United Kingdom, in our minds leave nothing whatever to be desired. We are completely satisfied with them. Any suggestion to the contrary is based on a misunderstanding of the situation.

TRAINING PROPOSALS

"Finally, I should like to say that these meetings at The Hague presented us with an opportunity to discuss with the representatives of the countries there the offer that we had made to their representatives here on the 16th of March, under which we would train a hundred aircrew and a hundred and fifty army personnel. At The Hague we put before their Chiefs of Staff memoranda giving details of these proposals, which enabled us to discuss them there; and I have the greatest possible pleasure in telling the House that the reception given to those proposals was very enthusiastic indeed. There is no doubt that with courses that we are giving from June and July on, but mostly starting with the Air Force toward the end of August and for the Army in September, we shall expect to have sufficient applicants, from the various countries desirous of sending officers to train with us, to fill up all the vacancies. It was indicated in the course of our discussion that the plans did give rise to the discussion of rather similar arrangements being developed in other directions therefore in this we may have started something which may prove to be much larger than the plan itself."

ANNIVERSARY GREETINGS TO NFLD.: Leaders in the House of Commons extended warm greetings to Newfoundland on March 31, the day on which the Island completed the first year as the tenth Province of Canada.

Immediately the House opened, the Prime Minister, Mr. St. Laurent, arose to recall that at midnight that night Newfoundland would have been a Canadian province for a full year. He was sure, he said, the House would like to extend to the people of Newfoundland greetings and good wishes on this occasion.

"We have all been delighted," the Prime Minister said, "at the way in which hon. members from Newfoundland on both sides have contributed to our proceedings. They are at home with the rest of us and we are at home with them. That, I believe, is the spirit in which Newfoundland has fitted, and will continue to fit, into our Canadian union."

The Secretary of State, Mr. Bradley, Newfoundland's representative in the Cabinet, thanked the Prime Minister. He said that the reception accorded to his countrymen and himself upon their appearance in Parliament "was so spontaneous and wholehearted that even most implacable and irreconcilable anti-confederalists must have been convinced that our position here was not that of unwelcome guests, but that of valued members of the Canadian family of free people extending from the Atlantic to the Pacific."

Touching upon Newfoundland's marketing problems, he said Newfoundlanders were heartened by the knowledge that their negligible bargaining power in the world markets was now supplemented by the weight and influence of Canada. He counted as the pre-eminent achievement of his lifetime his share in bringing about union with Canada.

The Progressive Conservative Leader, Mr. Drew; the C.C.F. Leader, Mr. Coldwell; and the Social Credit Party Leader, Mr. Low, also extended greetings.

Newfoundlanders are at present awaiting the submission of the provincial budget, expected within a week or two. Various projects are slated for 1950; trans-Island highway, railway reconditioning, wharves, breakwaters and harbor facilities, housing and slum clearance. These are expected to take up the unemployment slack.

RAILWAY REVENUES: Operating revenues of the principal Canadian railways in December -- including Newfoundland -- totalled \$76,283,389, down \$1,200,000 or 1.5 per cent from the \$77,483,353 earned in the same month of 1948. Operating expenses were also lower, amounting to \$66,386,011, down 8.4 per cent or \$6,073,825 from a year ago. The net result was an operating income for the month of \$6,663,443 compared with a revised \$6,896,898 in December, 1948.

COST-OF-LIVING INDEX AT ALL-TIME HIGH: The national urban cost-of-living index advanced from 161.6 for February 1, 1950, to 163.7 for March 1 for a gain of 2.1 points. This marked a new post-war peak, exceeding the previous high point of 162.8 for August 1, 1949. Group indexes for rents, fuel and light, and miscellaneous items at March 1 were at their highest post-war levels, while foods, clothing and homefurnishings were appreciably below 1949 post-war highs.

The increase in the index during February was due principally to higher levels for rents and firmer prices for certain foods. The results of the March quarterly survey of rents were reflected in an increase in the rent

index from 125.0 to 132.7, this advance taking account of all rent changes since last November.

The food index rose 2.7 points to 204.0 during February when strength in prices for beef, lamb, eggs, coffee and fresh vegetables outweighed narrow declines for canned vegetables. Fuel and light, the only other group to register an increase, moved up 0.4 points to 136.3.

The clothing index receded from 183.0 to 181.4 with lower prices quoted for men's and women's topcoats and men's suits, while homefurnishings and services declined 0.1 points to 166.3. The index for miscellaneous items remained unchanged at 132.1.

Cost-of-Living Indexes (1935-39=100)

	Combined Index	Food	Rent	Fuel and Light	Clothing	Home Furnishings and Services	Miscellaneous
March 1, 1950	163.7	204.0	132.7	136.3	181.4	166.3	132.1
February 1, 1950.....	161.6	201.3	125.0	135.9	183.0	166.4	132.1
March 1, 1949	159.2	199.1	121.7	131.0	182.7	167.9	128.1

IN PARLIAMENT

Two no-confidence motions were launched against the Government in the House of Commons on April 4 in the commencement of the Budget Debate. J.M. Macdonnell, Progressive Conservative Party financial critic, asked the House to express regret that Government policies "make higher taxation inevitable; make no adequate attempt to eliminate extravagance and avoid unnecessary expenditure; and make no provision for a programme of national development...." C.C.F. Party Leader M.J. Coldwell asked for a no-confidence vote because the Government indicated through its policies that it was "prepared to accept the present level of production as adequate for this country ...". Social Credit Leader Solon Low was the third Party Leader to criticize the Budget on that day. He was prevented by the rules from moving a third no-confidence motion.

The extension of control over Western wheat sales for another three years will be sought in a resolution to be introduced into the House of Commons, notice of the Government's intention being contained in the Commons' Order Paper of April 4.

The Foreign Exchange Control Board holds \$1,150,000,000 of Federal treasury money, it is shown in a return tabled in the House of Commons on April 4.

N.B. PROPOSES SALES TAX: The Government of New Brunswick is proposing a four-per-cent sales tax on retail sales and some services; a tax estimated to yield \$2,000,000 for the balance of the fiscal year ending October 31. Introduced into the Legislature on March 31, the Bill met opposition on first reading, but was passed on a straight party vote of 38 to 5. Easter adjournment followed the initial proceedings.

The consumer tax would apply to purchases of more than 10 cents. Exemptions include food, rent, shelter, gasoline, fuel, certain farm and commercial fishing equipment, medicine bought on prescription, railway rolling stock, commercial vessels, newspapers, magazines and periodicals when purchased by subscription for delivery by mail, and tobacco.

GOLD PRODUCTION DOWN: Gold production in Canada in January was down five per cent from December -- the high for recent years -- but 14 per cent above the January 1949 output. The month's production amounted to 354,773 fine ounces as compared with 373,091 in December and 309,810 in January, 1949.

Mines in Ontario accounted for 198,046 fine ounces in January as compared with 186,523 in the same month last year, Quebec for 93,378 ounces compared with 69,664, British Columbia 25,210 ounces compared with 24,431, Manitoba and Saskatchewan 22,659 ounces compared with 18,288, Northwest Territories 14,826 ounces compared with 10,873, and the Yukon Territory two ounces compared with 22.



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WEEK'S EVENTS IN REVIEW

BUDGET ADDRESS: Immediate removal of the eight per cent sales tax on ice cream, dairy drinks and prepared whipping cream; removal on July 1 of the sales tax on purchases by orphanages and institutions for aged and infirm; and the immediate lifting of the five per cent excise tax on toilet soap were the main tax changes proposed by the Minister of Finance, Mr. Abbott, in his Budget address in the House of Commons on March 28.

The proposals left the Government's main tax structure virtually unchanged, with no changes in personal income tax levies. Minor and technical changes were proposed in tariff schedules, and, retroactive to January, 1949, a change in the application of the 10 per cent corporation tax on profits of related companies which is calculated to permit a wider group to obtain the preferred rate on the first \$10,000 of profit. Farmers and fishermen are to be permitted option of two depreciation methods for tax purposes. In view of recent public interest, the Minister announced: "It is not the policy of the Government to tax capital gains".

The Minister announced a new system of taxing accumulated surpluses of family corporations under which a closely-held corporation may elect to pay a tax on undistributed income on hand at a flat rate of 15 per cent, and, for the future, may, to the extent that it pays out earnings in dividends, earn the right to capitalize an equivalent amount upon

payment of a special tax of 15 per cent.

Mr. Abbott summarized the effects of the proposed tax changes on the balance of revenues and expenditures as follows:

"The various tax reductions which I have proposed should not in all involve a loss of revenue of more than \$3 million. The revenue from the new tax available to closely-held companies in respect of accumulated earnings cannot be predicted, because we cannot tell how many of these companies will elect to take advantage of the new provisions in the next fiscal year. The revenue we receive could be quite large. I believe that it will at least be sufficient to offset the reductions just mentioned.

"This, then, leaves our expected expenditures at \$2,410 million, our expected revenues at \$2,430 million, and our expected surplus for the coming year at \$20 million."

In his analysis of government financial responsibilities he said that unless Parliament and the public were prepared to reduce the scope or scale of government activities, "we must now expect \$2,400 million budgets in future years". To this he added:

"Nor can we escape the tax implications of this conclusion. We must have a tax system that will at least balance the Budget in good years, in those times when private expenditures and exports will sustain our employment and incomes at high levels, for otherwise we should slide quickly into inflation at such times and

TO REDEEM TWO BOND ISSUES: The Minister of Finance, Mr. Abbott, announced on March 27, that the Government has called for redemption in June two outstanding bond issues, totalling \$745 million. They are the First Victory Loan, sold in 1941, and outstanding in the amount of \$643,534,250, and a three per cent issue sold in 1935 and outstanding in the amount of \$95 million. Holders of First Victory Loan Bonds will receive \$101 for every \$100 they have invested. The one per cent premium means that \$650 million will be paid out in retiring the issue.

Maturity date of the First Victory Loan Bonds was June 15, 1951, but the Government has decided to call them one year earlier in accordance with the provisions of the bonds. The Minister emphasized that it was in the interests of all holders of First Victory Loan Bonds that they present their bonds promptly for payment on or soon after June 15, 1950, because after that date this issue will no longer earn interest. The last two coupons on the bond, dated December 15, 1950, and June 15, 1951, are therefore not cashable.

The second issue, totalling \$95 million, scheduled to mature on June 1, 1955, has been called for redemption on June 1, 1950, in accordance with conditions stated on the bonds.

The Government, he said, has not in prospect adequate cash resources to retire the called issues without a refunding loan. For that reason a new issue will be announced shortly before the time for payment of the called issues. It is expected that the new issue will include some longer-term bonds suitable for general public investment, as well as a substantial amount of short-term bonds. Mr. Abbott stated that the call and refunding of these issues would result in a reduction in the cost of interest on the public debt.

NEARLY 91,000 NEW DWELLINGS: Construction of dwelling units in Canada boomed along at a record-setting pace in 1949, the year's completions from new construction and conversions of existing structures reaching an all-time peak total of 90,955 units as compared with 81,243 in 1948. The year's increase of 9,712 units was entirely due to the marked upswing in new construction, which resulted in the completion of 87,533 units as compared with 76,097, conversions falling off to 3,422 units from 5,146.

Starts, excluding conversions, were down slightly in the year to 89,509 units from 90,194 in 1948, while the carry-over of dwelling units under construction at the end of the year, at 58,169 units was higher than the 1948 year-end total of 56,456 units. The small increase in this carry-over may indicate a

levelling-off in the volume of residential construction.

There were increased numbers of dwelling units completed in 1949 in all provinces, except New Brunswick and British Columbia. Starts were up in Prince Edward Island, Ontario and Manitoba, but lower in the rest of Canada, and the carry-over of uncompleted dwellings at the year-end was higher in Prince Edward Island, New Brunswick, Quebec, Ontario and Manitoba.

Completions in Ontario in 1949 rose to 31,440 from 26,391 in the preceding year and in Quebec to 22,912 from 20,171, but were down slightly in British Columbia to 10,272 from 10,731. In Alberta, completions totalled 9,411 compared with 6,223; Manitoba, 4,807 (4,561 in 1948); Saskatchewan, 3,576 (3,211); Nova Scotia, 3,057 (2,588); New Brunswick, 1,801 (1,991); and Prince Edward Island, 258 (230).

FARM CASH INCOME \$2,456,871,000: Cash income of Canadian farmers from the sale of farm products in 1949 -- excluding Newfoundland -- amounted to \$2,456,871,000, according to the regular preliminary estimate by the Bureau of Statistics. This total is above the advance preliminary figure of \$2,409,165,000 published by the Bureau on January 7, but is slightly below the revised 1948 peak total of \$2,459,393,000. Income in 1947 amounted to \$1,967,263,000.

The maintenance of farm cash income last year at a near-record level may be largely attributed to increased returns from the sale of wheat and live stock and the substantial grain equalization and participation payments distributed in 1949 for previous years' crops. The latter payments amounted to \$220,000,000 in 1949 compared with \$179,800,000 in 1948. In addition, supplementary payments made under the provisions of the Prairie Farm Assistance Act in 1949 totalled \$17,628,000 compared with \$20,748,000 in 1948.

Cash income from the sale of grains, seed and hay rose to \$855,913,000 in 1949 from \$808,601,000 in the preceding year, wheat alone accounting for \$464,786,000 compared with \$407,851,000. Income from the sale of live stock totalled \$806,212,000 compared with \$787,375,000, dairy products \$350,032,000 compared with \$386,551,000, vegetables and other field crops \$154,737,000 compared with \$159,422,000, and fruits \$45,352,000 compared with \$46,901,000.

Other products -- eggs, wool, honey, and maple products -- accounted for \$119,435,000 compared with \$146,017,000, forest products sold off farms for \$69,928,000 compared with \$69,179,000, fur farming \$8,896,000 compared with \$9,958,000, and miscellaneous farm products \$46,366,000 compared with \$45,389,000.

"CARIBEX" EXERCISES HIGHLY SATISFACTORY

CANADA-U. S. JOINT MANOEUVRES: H.M.C.S. Magnificent, At Sea, March 24 -- Commodore K.F. Adams, commanding officer of H.M.C.S. Magnificent and senior Canadian naval officer afloat, has expressed himself as being highly pleased with the performance of Canadian naval ships and aircraft in the series of joint exercises carried out by United States, British and Canadian units in the Caribbean over the past two weeks.

Designated "Caribex", the combined manoeuvres consisted principally of anti-submarine and air defence exercises. Canadian ships taking part were the Magnificent and the destroyer Micmac (Lieut.-Cdr. F.C. Frewer, R.C.N.). The Carrier was armed with two Firefly squadrons, 825 and 826, comprising the 18th Carrier Air Group.

"This has been our first opportunity to operate as a unit of a fleet and the results of the exercises have proven to me, from both the air and surface points of view, that we are capable of taking our place in any fleet," Commodore Adams stated.

ANTI-SUBMARINE EXERCISES

The final phase of "Caribex" consisted of three days of intensive anti-submarine exercises involving some 100 warships, 11 U.S. submarines and more than 100 aircraft. The scene of operations stretched from the Bahamas northward for 600 miles.

With respect to the part played by Canadian carrier-borne aircraft, Commodore Adams said, "Our air department maintained constant patrols from daylight until darkness and the fact that we were not attacked during these hours is evidence that the submarines had great respect for our airmen."

On the first night of the exercise, green flares popped to the surface near the Magnificent on three different occasions, indicating that submarines had carried out attacks on her.

The next day the Magnificent's aircraft intercepted a striking force of the "enemy's" fast, light dive bombers but due to the overwhelming numbers of the latter, it was considered that some got through to their target.

On the second night, the destroyer screen around the Magnificent and H.M.C.S. Glasgow detected submarines and dropped grenades to indicate that they had made attacks.

On the morning of the final day, a severe weather front interfered with early flying, but later the aircraft found four submarines some distance behind the fleet, making full speed on the surface in an attempt to catch up and attack from astern. Just before the exercises terminated, the destroyer screen obtained another submarine contact and carried out a dummy attack.

"MAGNIFICENT" IN ANTI-SUB "ACTION" HMCS Magnificent At Sea, (Delayed by Radio Silence) -- The Royal Canadian Navy Task Group which has been exercising in the Caribbean for the past month joined up with Royal Navy and United States Navy warships some 80 miles north of the southern-most island in the Bahama chain early March 20 to form one of four task forces moving northward through an area 600 miles long in one of the biggest hide-and-seek war games between submarines, surface vessels and aircraft since the end of the Second World War.

Somewhere in this 600-mile expanse of ocean, off the eastern seaboard of the United States, were 11 U.S. submarines. They were assisted by flying boats operating out of Miami, Florida, and providing information for the submarines regarding the disposition of the fleets. Meanwhile, the surface forces wended their way northward, endeavouring to elude the submarines. Failing that, they called on everything in the book of anti-submarine warfare in their efforts to detect and destroy the underwater "enemy".

GUIDE OF THE FLEET

The British cruiser, HMS Glasgow, flying the flag of Vice-Admiral R.V. Symonds-Taylor, C.B., L.S.C., Commander-in-Chief of the American and West Indies Station, was the flagship for a task force made up of ships of three navies. HMCS Magnificent, flying the broad pennant of the Senior Canadian Naval Officer Afloat, was guide of the fleet. Other ships included HMS Snipe, HMCS Micmac, four U.S. destroyers and four U.S. minesweepers.

This force was supported in the air by two squadrons of anti-submarine aircraft of the 18th Carrier Air Group, operating from Magnificent, and 60 land-based long range reconnaissance and anti-submarine patrol aircraft operating from various points on the eastern U.S. seaboard.

Magnificent's aircraft carried out regular patrols some 50 miles ahead of the fleet. It was their job to keep the submarines below the surface, severely limiting their ability to make visual contact with the fleet and forcing them to operate at reduced speed.

This anti-submarine exercise was the second phase of Exercise "Caribex". At the conclusion, theoretical hits and sinkings will be tallied, giving an idea of the victors in the exercises.

The other three fleets included Task Force 21, with which the Canadian ships exercised in the first phase of "Caribex", a logistic force consisting of oilers and fleet supply ships, and a hunter-killer force.

Radio silence was maintained throughout the exercise.

THE INTEGRITY OF THE CIVIL SERVICE

MR. PEARSON'S ADDRESS: While the Government has the obligation to take every necessary measure to root out "treason and sedition" in its midst, it also has the duty of protecting the state system and its servants against policies which would destroy its efficiency and free democratic character, the Secretary of State for External Affairs, Mr. Pearson, said in an address before the Professional Institute of the Civil Service of Canada on March 25. He added the hope that in Canada we would never "yield to hysterical clamour for a witch-hunt."

Speaking of the effect on the relationship between the Civil Servant and its employer, the Government, of the concerted communist attack which today was being made upon the free world, Mr. Pearson said one of the most serious problems was the reconciliation of individual freedom and group security. This problem became more important and more difficult, he said, as we became increasingly conscious of the threat to our free society and individual liberty of Communism as the instrument of Soviet Imperialism.

MOST SERIOUS ISSUE

Even as an exclusively domestic issue the struggle against Communism would be just about the most serious issue of the day, "but the situation becomes infinitely more dangerous when we know, as we do know, that those who lead the communist forces in our country - and in other countries - are not inspired by feelings of patriotism for the national cause - however wrong and misguided - but are the agents - open and unabashed - of a foreign Imperialism...."

The difficulties were not solely applicable to the relationship between the Civil Servant and his official employer; they applied equally throughout society wherever persons performed functions which might affect our security. It was not a security problem for Government alone; it was a problem for the whole community.

Fortunately, he proceeded, there was in Canada no cause for hysteria or panic. There were no great divisions in Canadian society such as those which in other communities penetrated the fabric of their essential services. More important, in the course of generations we had built up in Canada a tradition of integrity in the performance of essential duties, whether public or private, that reduced to a minimum the fears we need have about the loyalty of those upon whom we depended. He cited the Oxford dictionary definition of "integrity" - "the condition of having no part or element wanting; soundness of moral principle; uprightness, honesty, sincerity" - and said they were characteristics of the Canadian Civil Service.

He proceeded in part as follows:

"What we seek - and what we find - in our government service are people whose integrity is sufficient to make it possible for them not only to do their jobs well, but also to resist such temptations as arise out of those jobs. I am glad to say that, so far as my experience carries me (and that is now a very considerable experience) Canada has been remarkably successful in attracting to its service men and women who display this essential characteristic in marked degree.

"If the dangerous times in which we live, on the one hand, call for the highest expression of integrity amongst our public servants, they also impose on employers in general and Government in particular equally heavy obligations. These obligations are twofold. In the first place, we must take every precaution to make certain of the loyalty of those who serve us.

"The danger which communist Imperialism presents to our national existence and our free institutions is a very real one. In facing it - and in trying to remove it - Government, in its relations with its citizens, has at times to take exceptional action. The citizen in his turn in his relations with his Government has to recognize the nature and gravity of the menace and may, in certain circumstances, have to accept restraints which would be intolerable if that menace did not exist.

MUST TAKE EVERY PRECAUTION

"The danger which must be met has many manifestations. We know how the brilliant and constructive intellectual in the field of natural science can occasionally be a fool or a knave or both in the field of social science. We know what harm to freedom can be done by a magnificent but perverted mental equipment which is allowed to do its nefarious work under the banner of freedom and tolerance. The very quality of a man's genius may make him all the greater menace to society. Against that menace the state is entitled to take - indeed must take - every precaution, and no one of us has any right to complain if we may seem to suffer some slight indignity in the process.

"Our personal prestige and pride is a small thing, against the necessity of guarding our free society against those hidden agents of Soviet reaction, who for reasons which vary all the way from lust for power to twisted idealism would sell us into Kremlin slavery. As a Government we have an obligation to take every necessary and practicable measure to find and root out treason and sedition in our midst; to see that we have laws adequate for this purpose; that we have security services and procedures which, while remaining under the law, are nevertheless effective to watch

and when necessary, disarm those elements who would divide and disturb our country in peace and hand it over to the enemy in war.

"Government, however, has another duty: to protect the state system and its servants against policies which in the name of security would destroy its efficiency and its free democratic character; especially to protect individuals against unfounded accusations and vicious insinuations which destroy the individual and weaken the social structure. We have no right to go about confirming the loyalty of our Civil Servants in such a manner that we destroy their self-respect or their efficiency - nor has Government the right to take a single step against any citizen which is not warranted by the danger which we face. In attempting to decide how far it can go, in limiting the freedom of the individual in the interest of national security, the Government is always faced with this terribly difficult and recurring problem of drawing a line and, once drawn, of not going beyond it.

"This problem is difficult for many reasons. The very menace itself may lead to demands on the part of more excitable elements of the community for panic action which goes far beyond the needs of the situation. It also encourages irresponsible and reactionary elements to use the fear of Communism as a means of weakening and destroying some of the healthy and democratic restraints which have been placed on their own appetite for power. Every army - however good the cause for which it fights - includes some dubious volunteers. And so it is in the fight against Communism. Anyone who rejects the practices and the slogans of these elements is, of course, liable to be called an ally of the enemy - a red. This, in turn, creates dissension, division, suspicion and mistrust; it is playing the enemy's game as surely, and as effectively, as if it were being done by saboteurs or provocateurs. One of the best allies of the communist cause is, in fact, the hysterical diehard. The Communists know that and therefore reserve their heaviest fire for the Progressive Democrat.

"In our search for the hidden enemy of our way of life, we must also be careful not to impose regulations or create prejudices which shackle the spirit of enquiry by spreading the impression that anything unorthodox or enterprising or imaginative is suspect. If we reduce the high adventure of investigation to the level of a search in a shallow stagnant pool, we shall soon retreat into the dark recesses of torpid and absolute conformity which is the stuff from which the totalitarian police state is made. This retreat will be certainly assisted if public opinion ties the label of 'dangerous' or 'red' to everyone who may once have attended a luncheon of the League for Peace and Freedom, or played basketball at High School with the young Radicals. It is easy in a democratic state to become the victim of our fears, just as it is easy -

frighteningly easy - to become the victim of our apathy and indifference. If we are to remain free and to move forward we have to avoid both these dangers.

"I hope that in this country we will never yield to hysterical clamour for a witch-hunt; or accept mere association as a proof of guilt; or exploit for selfish reasons the genuine anxiety we all feel about our nation's safety; I hope also we can avoid loose and irresponsible talk about Communists infesting government departments....

"One result of unfair and irresponsible attacks on public servants as suspect or disloyal is that you may eventually get people so cautious, so mediocre, so determined not to do anything that will leave them open to criticism from any quarter, that your public servant will become as mechanical and inefficient as that of a communist state. In Communist states the functionaries are so terrified of giving any advice or taking any initiative that may be regarded as a departure from the party line that they never make an original move, or give any objective advice at all. They merely tell those above them what they think those men want to hear...."

AUTO SHIPMENTS RISE: Factory shipments of Canadian-made motor vehicles rose to a high level in February, being exceeded only by September last year. The advance in the month was principally due to increased shipments of passenger cars. Cumulative total for the first two months of the year was sharply higher than in the similar period of 1949.

In February, 30,137 units were shipped as compared with 28,527 in the preceding month and 17,197 in February, 1949. The cumulative total for the two months ending February increased to 58,664 units from 31,060 in the like period of 1949. Shipments in September last year aggregated 30,894 units.

Shipments of passenger cars in February increased sharply to 22,459 units as compared with 9,285 in February last year, while commercial vehicles were slightly lower at 7,678 units compared with 7,912. In the two-month period, 43,386 passenger cars were shipped as against 16,459 a year ago, and 15,278 commercial vehicles compared with 14,601.

INDUSTRIAL DISPUTES. Time loss due to work stoppages arising from industrial disputes during February, 1950, was slightly higher than during the previous month but only a little more than one third of the loss in February, 1949, according to the monthly summary of strikes and lockouts released on March 25 by the Minister of Labour, Mr. Mitchell.

Work stoppages causing the greatest time loss were those of plumbers, steamfitters and helpers at Ottawa, Ontario, firebosses at various coal mines in Alberta, and beverage

room tapmen, waiters and glass washers at Calgary, Alberta.

Preliminary figures for February, 1950, show 15 strikes and lockouts in existence, involving 3,764 workers, with a time loss of 26,300 man-working days, as compared with nine in January, 1950, with 2,456 workers involved and a loss of 39,488 days. In February, 1949, there were 10 strikes and lockouts, involving 7,245 workers, with a loss of 71,652 days.

HALIBUT FISHING CONVENTION: The Minister of Fisheries, Mr. R.W. Mayhew, on behalf of the Government of Canada, and the United States Ambassador, L.A. Steinhardt, on behalf of the Government of the United States of America, on March 24 signed a convention allowing reciprocal privileges for halibut fishing vessels on the Pacific Coast of Canada and the United States.

The convention overcomes the necessity of the Governments of the two countries legislating every year to allow halibut fishermen of both countries reciprocal privileges of landing catches for trans-shipment and obtaining supplies, repairs and equipment in Canadian and United States west coast ports.

Of advantage to Canadian halibut fishermen, it assures them in advance of the season the privileges that will be available. The convention grants U.S. and Canadian halibut fishermen the following privileges in the Pacific Coast ports of entry:

(1) To land their catches of halibut and sablefish without the payment of duties. To sell them locally on payment of the applicable customs duty, and transport them in bond under customs supervision to any part of either country;

(2) To obtain supplies, repairs and equipment, subject to compliance with applicable customs and navigation laws of either country.

The convention differs from the present practice only in that it extends reciprocal privileges to Canadian halibut vessels in ports of the United States proper as well as of Alaska.

MANUFACTURING ANALYSIS: Increased wholesale prices of partly and fully manufactured products accounted for about three-fourths of a gain of \$2,045,343,000 in the gross value of Canadian manufacturing output in 1947 over 1946, and physical volume of production for the remainder, according to the detailed report on the manufacturing industries of Canada in 1947 released by the Bureau of Statistics. Gross value of products made in Canada during 1947 amounted to \$10,081,027,000, an all-time record up to that year, but exceeded in 1948 when it advanced 17 per cent over 1947 to a new peak of \$11,800,887,000.

The number of manufacturing establishments rose in 1947 to 32,734 from 31,249 in the

preceding year, and the employees advanced to 1,132,000 from 1,058,000, or by seven per cent. The 1947 total was, however, still 109,000 below the record number employed in 1943. Salary and wage payments amounted to \$2,085,926,000 -- a new high -- as against \$1,740,687,000 in 1946, and \$2,029,621,000 in 1944, the previous high year.

TO INTERNATIONAL BOUNDARY COMMISSION: The Secretary of State for External Affairs, Mr. Pearson, announced on March 29 that the Government has appointed Mr. John Leslie Rannie, Dominion Geodesist, to be the Canadian Member of the International Boundary Commission in place of Mr. James Morey Wardle, C.B.E. The appointment was effective March 1, 1950.

Mr. Wardle's resignation was occasioned by the re-organization of some of the departments of the Government on January 18, 1950. The Special Projects Branch of the Department of Mines and Resources, of which he was Director, was assigned to the Department of Resources and Development, and the work of the Canadian Section of the International Boundary Commission, being closely associated with the activities of the new Department of Mines and Technical Surveys, was placed with that Department.

The International Boundary Commission comprises two Commissioners, one representing Canada and the other the United States. It was established under the terms of Article VI of the Alaska Boundary Convention, 1903, and the International Boundary Demarcation Treaty of 1908 to demarcate various parts of the boundary and to maintain an effective boundary line between the two countries. Under a treaty of 1925, the Commission also regulates the level of the Lake of the Woods.

SEISMIC STATION FOR ARCTIC: Provision of more than \$400,000 has been made in the estimates recently tabled in the House of Commons for the operation of the Dominion Observatory at Ottawa.

According to the Minister of Mines and Technical Surveys, Dr. McCann, \$60,580 of this amount has been allocated for important geophysical field studies, including the establishment of Canada's first seismic station in the Arctic which will be at Resolute Bay on Cornwallis Island.

The six seismic stations now located across Canada provide valuable information on the earthquake movements in the earth's crust. However, the most northerly station is at Saskatoon so that it has not been possible to "pin-point" seismic disturbances in Northern Canada and the Arctic regions or to obtain sufficient data regarding their magnitude. As a result there has been a vast blank on the seismic map north of the Arctic circle.

ANOTHER RISE IN EXPORTS TO U.S.

DECLINE IN WORLD TOTAL: For the fourth consecutive month, Canada's domestic exports to the United States registered an increase in February, with a substantial gain in value over February last year. On the other hand, lower values were recorded for domestic exports to most sterling and other dollar areas, and the overall total to all countries was slightly below that of a year earlier, the Bureau of Statistics reports.

Domestic exports to the United States were valued at \$128,838,000 in February as compared with \$106,709,000 in February, 1949, a gain of nearly 21 per cent. This follows upon an increase of about 13 per cent in January over the corresponding month last year, the aggregate value of shipments across the border for the first two months rising to \$259,697,000 this year as against \$222,732,000 in 1949, an advance of one-sixth. Price changes reflecting the premium on United States exchange have contributed to this increase, but its size indicates a substantial rise also in the volume of exports.

The gain in February sales to the United States was spread over seven of the nine main commodity groups, the largest gains being in commodities classified under animals and animal products, wood and paper, and non-ferrous metals and products. Shipments of the iron and the small fibres and textiles groups alone were lower.

Total exports to all countries declined in value to \$199,500,000 from \$205,000,000 in February last year, the aggregate value for the two months showing a somewhat larger drop at \$420,600,000 as compared with \$442,000,000 in 1949.

INTERNATIONAL SECURITIES TRADE: Main feature of Canada's international trade in securities during 1949 was the reappearance of a small sales balance for the year as a whole after two years of purchase balances. Net sales to all countries last year amounted to \$6,500,000 compared with net purchases of \$17,900,000 in 1948 and \$18,000,000 in 1947.

Compared with the size of inflows of capital through transactions in outstanding securities during the years 1938 to 1946, however, last year's sales balance is small. Peak inflow of this period was in 1945 when net sales through the reporting channels covered in the Bureau's report reached \$191,000,000, while the lowest figure for net sales in the period was \$28,800,000 in 1940.

February shipments to the United Kingdom were down sharply to \$30,374,000 from last year's value of \$44,124,000, making a decline for the first two months to \$78,981,000 from \$99,937,000. There were decreases in February in the exports of commodities in all main groups, except non-metallic minerals, one of the smallest in value. Largest decreases occurred in the agricultural and vegetable products, non-ferrous metals, and wood and paper groups.

Sales to the remaining Commonwealth countries as a whole were also down in the month to \$14,300,000 from \$17,500,000 in February last year, and in the two months to \$28,000,000 compared with \$45,400,000. The decrease in both periods, however, was due almost wholly to sharp decreases from the high value of shipments last year to India. Exports to the British West Indies group (including British Guiana, Bermuda and British Honduras) were up slightly in the month at \$2,801,000 compared with \$2,698,000 but down in the two months to \$5,312,000 from \$7,307,000. To Commonwealth countries in Africa, exports were slightly higher at \$3,536,000 for the month and lower for the two months at \$7,367,000 as against \$8,306,000; while shipments to the Oceania group rose in the month to \$4,321,000 from \$3,593,000 and in the two months to \$6,934,000 from \$6,738,000. Exports to Commonwealth countries in Asia fell in value to \$3,202,000 from \$7,845,000 for the month, and for the two months were down to \$6,676,000 from \$22,782,000, shipments to India being off to \$1,082,000 in February from \$6,304,000 and to \$1,578,000 from \$17,495,000 in January and February.

There was a sales balance on the year's trade with the United States of \$16,000,000. This balance accumulated in the last three months of the year following the currency revaluations in September. Repurchases of securities from the United Kingdom also increased in the same period and for the year as a whole amounted to \$10,800,000 on balance, an amount which was still below the peak level of net purchases of \$35,400,000 in 1946.

Figures for December, included in the year-end summary, show a sales balance of \$4,500,000, the largest since November, 1946. Volume of trade with the United States increased slightly and resulted in a sales balance of \$6,100,000, while transactions with the United Kingdom declined.

(Continued from P.1)

pile up our national debt more quickly than we add to the economic and financial capacity of the nation to carry it.

"The conclusion then which I reach is that no Minister of Finance in the foreseeable future will have an easier task than I have, namely, that of covering about \$2,400 million of expenditure. In considering proposals for further major increases in our expenditures of a continuing nature, we must be ready to balance them with increased taxes. We can afford some modest increases in expenditures from year to year, or alternatively modest reductions in taxation, as our productivity and national income grow, but this dividend of progress is gradual and modest in size in relation to the ambitious plans that are so much in the air these days. What is important, I believe, is that we should now realize clearly that there is no prospective surplus from which proposed new programmes of expenditure can be met. If the expenditure is worth-while, it should be provided for by new or increased taxes or charges or by reducing some other services or activities of lower priority."

Mr. Abbott said the Government expected to finish the present fiscal year with a surplus of about \$111 million, or about \$24 million more than he estimated a year ago. A notable feature of the revenue picture was still the remarkable buoyancy in direct taxes, notwithstanding the successive reductions in rates that had been made. Direct taxes accounted for half the total revenues; and a large part of the indirect taxes that provide 40 per cent of revenue was levied upon commodities the purchase of which was usually some evidence of ability as well as willingness to pay.

"On the expenditure side", he continued, "the most notable features have been the increased expenditures for social security on the one hand and national security on the other. The increase in social security -- chiefly family allowances and old age pensions -- was about \$62 million; and the increase in national defence and defence research was \$110 million. Newfoundland, too, added materially to our expenditures -- as was evident from the

\$55 million provided in special supplementary estimates to extend our services to Newfoundland, and a non-recurring charge of \$62 million to cover the assumption of the major portion of the former Newfoundland debt. There was another large non-recurring item in our expenditures represented by the net charge to our premium, discount and exchange account resulting from the revaluation of currencies and representing the decreased Canadian dollar value of our sterling obligations, the increased Canadian dollar value of our United States dollar obligations, and the increased Canadian dollar value of our holdings of gold and United States dollar balances.

"Offsetting these major increases in expenditures that I have noted were a number of reductions in those items which arose out of the war, notably certain types of non-continuing payments to veterans, payments of subsidies of various kinds, and various administrative costs for temporary post-war organizations...."

In introducing his tabular forecast of revenues and expenditure for the fiscal year 1950-51, Mr. Abbott commented as follows:

"My forecast of our prospective revenue and expenditure for the new fiscal year is based on the expectations that in general our national employment and income will be sustained at approximately the present level and that there will be a slight fall in average prices, more than offset by a slight increase in the volume of our production. Should conditions be better than this -- as they could be if everything goes well -- my forecast will be more than realized. Should economic conditions deteriorate, as they could, our revenue will fall off and our expenditure increase, as compared with the figures I am now putting forward.

"In the light of what I have said, I expect that our present tax laws and other sources of revenue would produce in the next fiscal year a total revenue of about \$2,430 million."

He said that he expected expenditures in the new fiscal year could be kept to about \$2,410 million, on which basis the Budget surplus should amount to around \$20 million.

STUDY MINERAL AND OIL FIELDS: Provision of more than one and one-half million dollars has been made in the estimates of the Department of Mines and Technical Surveys recently tabled, for continuance of the systematic geological mapping of Canada, the study of potential sources of minerals, oil and gas, and important ground water surveys.

According to the Minister of Mines and Technical Surveys, Dr. McCann, \$633,000 will be used by the Geological Survey of Canada to provide 85 field parties which will operate in all provinces as well as in the Northwest Territories and Yukon. Investigations will be carried out in two Arctic Islands and an expansion of geophysical work will include a

magnetometer survey of certain mineralized areas in the Northwest Territories.

Particular attention will be given to those areas in the Prairie Provinces considered favourable for the production of oil. New discoveries of radioactive minerals will be examined and studied for their commercial possibilities and a comprehensive investigation of the iron ore regions will be made.

Also included in the estimates is an item of \$1,722,053 for mineral resources investigation. This work will include two important studies to render western coal more suitable for market, ore treatment investigations to assist new mining companies to get into production.

DEATH OF THE UNITED STATES AMBASSADOR TO CANADA

THE NATION SADDENED: All Canada was shocked and saddened this week by the death, on March 28, of the United States Ambassador, the Honourable Laurence Steinhardt, with four other Americans, when a U.S. Embassy C-47 transport plane crashed just after it had taken off for New York from Ottawa's Rockcliffe Airport.

Those who died in the crash were:

Ambassador Laurence Steinhardt, 57, who came to his Ottawa post in August, 1948.

Allan Harrington, 20, son of U.S. Minister to Canada, Julian Harrington. He was returning to college in Virginia after a holiday with his parents here.

Capt. Thomas Archibald, 34, of Union Springs, Ala., pilot of the plane, and Assistant Air Attaché at the Embassy here.

Lt.-Col. W.F. Trueblood, 35, U.S. Air Force, of Kansas City, Kan., an exchange officer attached to R.C.A.F. Headquarters in Ottawa.

Lieut. Mark Belanger, 29, U.S.A.F., New Bedford, Mass., former Assistant U.S. Air Attaché at Ottawa who was on exchange at R.C.A.F. Headquarters here.

Public statements expressing Canada's sorrow were issued by the Prime Minister, Mr. St. Laurent, and the Secretary of State for External Affairs, Mr. Pearson. A message of sympathy was sent by the Prime Minister to President Truman; a similar message was sent by Mr. Pearson to the United States Secretary of State, Dean Acheson.

In the House of Commons, on the afternoon of the tragedy, the Prime Minister announced that it had been his painful duty, in company with Mr. Pearson, to call at the chancery, at the United States Embassy and also at the residence of the United States Minister, Mr. Julian Harrington, to express the sympathy of the Government and of the Canadian people on the tragic deaths of the U.S. Ambassador, of

the U.S. Minister's son, and of three officers of the United States Air Force. He read into the permanent record of Parliament his public statement of regret and his message of sympathy to the President of the United States.

Leaders of all opposition groups, joined the Prime Minister in expressing sorrow at the passing of Mr. Steinhardt and the distinguished group of Americans. Each speaker testified to the great qualities and personal charm of Mr. Steinhardt who, in his two years in Ottawa, had done so much to cement friendship and understanding between Canada and the United States.

Canada accorded full military honours to Mr. Steinhardt and the American officers as their bodies were borne to the Ottawa Union Station on March 30 to be taken to their homes in the United States for burial.

The text of the Prime Minister's statement was as follows:

"All Canadians will be shocked by the news of the air disaster in which the United States Ambassador, Honourable Laurence Steinhardt, lost his life.

"The death of Mr. Steinhardt is a grievous loss to the Foreign Service of the United States in which he has had such a distinguished career. For Canada it is the loss of an understanding friend who believed deeply in the value to each other and to the world of the friendly association of our two countries, and who contributed day by day in countless ways to the strengthening of our common bonds.

"The tragedy is heightened by the fact that the son of Mr. Julian F. Harrington, the United States Minister in Canada, also lost his life.

"The sympathy of the Canadian people will be extended in full measure to Mrs. and Miss Steinhardt and to Mr. and Mrs. Harrington in their bereavement, and to the families of the three officers of the United States Air Force who also lost their lives in this disaster.

"In the name of the Government and people of Canada, I have sent a message of sympathy to the President of the United States."

CANADA'S WORLD HOCKEY CHAMPIONSHIP: Canada's victory in the world amateur hockey championship series was made a matter of parliamentary record in the House of Commons on March 23 when Mr. A.F. Macdonald, from the constituency of Edmonton East, home of the Edmonton Mercury hockey team, listed the club's personnel. He said:

"Mr. Speaker, I rise on a question of privilege. I wish to announce to hon. members that yesterday in England the Edmonton Mercury hockey team regained the world amateur hockey crown for Canada. The victory gave the western Canada intermediate champions a clean sweep in the seven tournament games, and Canada's

twelfth title since 1924.

"I wish to place on the record the name of Jim Christiansen of Edmonton, sponsor of the Mercury Club, as well as the names of the players. They are as follows: March Darling, team captain; Jimmy Graham, coach; Jack Manson, goal; Pete Wright and Jack Davies, defence; Doug. Macauley, centre; Billy Dawe and Harry Allen, wings. Others on the team include Wilbur Delaney, Jim Kilburn, Al Purvis, Don Goff, Bob Watt, Bob David, Ab Newsome, Hassie Young, Leo Lucchini and Bert Tonsi, trainer...."

"THE IMPLICATIONS OF THE COLD WAR FOR CANADA"

PRIME MINISTER'S ADDRESS. As long as Canada remains a land of promise and opportunity for all our people, whatever their origin or occupation, we need have no worry of mass support for Communism in this country, the Prime Minister, Mr. St. Laurent, told an overflow Canadian Club audience in Toronto on March 27.

Canada's national example of successful partnership by two races and cultures, and admittance of thousands of other people from most of the nations of the world, might contribute, he hoped, to the development in the international sphere of the unity of purpose and spirit of co-operation so essential to the strength and security of the free world.

The Prime Minister's topic was, "The implications of the cold war for Canada", and he declared that Canada's purpose, and the purpose of all free nations in the cold war, was first to prevent a "hot" war and ultimately to do all they could to end the cold war itself. There could be no real and lasting peace until there was some degree of mutual confidence and trust between nations. This would involve a sincere and radical change in the attitude of Soviet Russia, a change, he said, which was not going to come overnight. Meanwhile the free world had to go on probably for years maintaining its security through its own strength.

A BETTER WAY OF LIFE

"The point I want to make", he said later, "is that it is just as important for us to show the world that democracy, free democracy, not the kind the Communists talk about, is a better way of life which can provide, in addition to economic and industrial strength and material things in abundance, a faith to inspire all men to live in peace and contentment with one another. If we can maintain this kind of strength, those who oppose us now may, in time, decide it is wiser 'to live and let live'. They may reach this position by concluding that if they started a war they would be apt to lose it. But ultimate victory will come only when the people behind the iron curtain see that their system as opposed to ours, will not meet either the material or the spiritual needs of mankind."

Mr. St. Laurent said that in addition to strong military defences, the peace-loving nations must also devote themselves to the positive task of increasing their economic, political and social strength and bettering their democracy: not merely to the negative task of defending an established position. The

cold war was a struggle between two totally opposed concepts of human society - the one in which the State was the absolute and not-to-be-questioned master of every aspect of the lives of all its subjects; and the other in which the State was the servant of the citizens.

Everywhere in Canada, said the Prime Minister, he had found whole-hearted approval of the nation's participation in the North Atlantic Security Pact. He did not think anyone in Canada dreamed of the possibility of arming this country so that we could take on a great power single-handed. What we had to do - what all free countries had to do - was to try to strike the best possible balance between the provision of immediate strength in trained men and arms-in-being; and lasting potential strength, military, industrial and economic.

"To win the cold war", he added, "it will not be enough to devote to military defences and the production and development of arms a considerable fraction of our total resources. That may be enough to prevent defeat. Preventing defeat is not the same thing as winning a victory. To win, I believe the nations of the free world must demonstrate the superiority of our institutions and our way of life to the continued satisfaction of all our own people. And then we must win over those hundreds of millions in Asia and Africa who now feel indifferent and confused and are attached to neither side in the cold war; and ultimately we must convince those other millions behind the Iron Curtain that Communist Imperialism means slavery and that we stand for freedom and peace."

NON-MILITARY SIDE

While Canada's military contribution to ultimate security was important, Canada, he believed, could also make a great contribution to the non-military side of the cold war. On this aspect he spoke, in part, as follows:

"Today I believe most Canadians are convinced they cannot escape the consequences of world events, and they are not trying to shirk their share of responsibility.

"One aspect of that responsibility, one contribution we can make to ultimate success in the cold war is to maintain right here in Canada a strong and healthy free community in which the State remains our servant and does not become our master; a community in which resources are continually being developed and in which industrial power is an increasing source of potential military strength...."



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WEEK'S EVENTS IN REVIEW

NATIONAL DEFENCE REVIEW: Canada's Defence forces are in better shape than ever before in peacetime and defence dollars are being spent in the best way known to make suitable provision for construction, equipment and personnel, according to the Minister of National Defence, Mr. Claxton. Speaking in the House of Commons on March 17 while presenting the estimates for the Department, Mr. Claxton reviewed the progress of negotiations under the North Atlantic Treaty, Exercise "Sweetbriar", and the allocation of appropriations.

Mr. Claxton pointed out that the agencies established at the October meeting of the North Atlantic Treaty defence committee in Washington to plan and co-ordinate collective action under the North Atlantic Treaty had reported on their work to the defence committee meeting in Paris November 30 and December 1. Agreement was reached, he said, on the following:

"1. A strategic concept for the integrated defence of the north Atlantic area.

"2. The means to be taken to arrive at a programme for the production and supply of armament and equipment.

"3. Co-ordination of planning between the various regional groups.

"4. Additional steps to further defence planning of the North Atlantic Treaty organization."

He then stated that "Since the Paris meetings, further action has been taken in the various regional groups....

"Work in the North Atlantic group is being carried right along as Canadian-American co-operation has continued without interruption since our wartime partnership. In connection with the North American group, the United States and Canadian chiefs of staff met together at Washington for the first time on January 17 of this year.

"The north Atlantic ocean group is making good progress with its important problems.

"Further meetings of the military production and supply board, the military committee and the defence committee will take place at the Hague on March 24, March 27 and April 1 respectively....

"Under the North Atlantic Treaty we have not made any specific commitment, but we have given the general undertaking contained in article 3 of the Treaty to take such action as we deem necessary by means of continuous and effective self help and mutual aid to maintain and develop individual and collective capacity to resist armed attack. A second undertaking, as contained in article 5, comes into effect in the event of an armed attack against one or more of the signatories. That undertaking is to take such action as we deem necessary to restore and maintain the security of the north Atlantic area...."

Discussions on defence arrangements, he said, were conducted, during and following the Paris meeting, with opposite numbers of the other countries and conclusions were reached

EXERCISE CARIBEX: Firefly aircraft of the Royal Canadian Navy were scheduled to take off at first light March 17 from HMCS Magnificent, 18,000-ton carrier, for a mock attack on the U.S. Navy's Leeward Point Air Base, in Guantanamo Bay, Cuba.

At the same time, aircraft from two carriers of a U.S. Navy task force, with which the Magnificent and the destroyer HMCS Micmac had been in company since March 16, were to carry out a strike on Guantanamo Air Base of the USN.

The air strikes concluded the first phase of a series of combined exercises and manoeuvres, designated Caribex and involving units of the United States Atlantic Fleet, the America and West Indies Squadron of the Royal Navy and the RCN.

The programme got under way at dawn on March 16, when the Canadian and United States ships acted as opposing forces. The Magnificent and Micmac, sailing from Guantanamo Bay, proceeded to the northern portion of the Windward Passage, off the east coast of Cuba. The United States force, consisting of the battleship Missouri, two carriers, two heavy cruisers, one light cruiser and 16 destroyers, positioned themselves some 200 miles to the south.

At daybreak on March 16, aircraft from the two forces hunted the opposing ships and delivered simulated bombing, rocket and torpedo attacks on the surface vessels. Results of the engagements are still being assessed, but it is believed considerable success was achieved by aircraft of both sides.

March 16 the two forces joined up and for the next 24 hours operated in company.

On Saturday, the Canadian ships carried out anti-aircraft firing practice against high speed aircraft-towed targets while en route to a position north of Cuba where they met units of the America and West Indies Squadron.

Since the Magnificent and Micmac left Halifax February 13, aircraft of the 18th Carrier Air Group have logged more than 350 flying hours in an intensive flying programme. With the exception of two shore leave periods, one at Charleston, S.C., February 20 to 24, the other at Havana, Cuba, March 7 to 11, air operations have been carried out continuously from the Magnificent.

Good flying weather has played a favourable role in the success of the flying training thus far. The exercises have provided excellent training for the Canadian naval fliers in reconnaissance and strike work. They will concentrate on anti-submarine exercises in a later phase of the training cruise.

U.N. BROADCAST ON DPs IN CANADA: The story of the displaced person in Canada, was told in a United Nations documentary entitled "Tomorrow for Two", broadcast over NBC March 19.

The documentary answered the question, "What happens to the displaced person in build-

ing a new life in a strange country?" It told how an official of the International Refugee Organization went to Canada on a routine check of the welfare of DPs resettled in that country. He visited two former inmates of the Austrian DP camp of which he was director. In dramatic documentary form, the programme described how this couple became useful, healthy members of the Canadian community and, for the first time in many years, learned to enjoy living.

Herbert Marshall, British-born motion picture actor, played the starring role. He flew to Toronto where the programme originated. The programme was directed by Mavor Moore and produced by Gerald Kean, both of U.N. Radio. A special musical score was written and conducted by Louis Appelbaum, distinguished young Canadian composer.

FISHERIES COUNCIL MEETS: The Fisheries Council of Canada held its fifth annual meeting in Ottawa on March 21 and 22. The main topic of discussion was the co-operation of the industry with the federal Department of Fisheries in the development programme for Canada's fisheries. This programme, which was announced last December by the Minister of Fisheries, Mr. Mayhew, calls for expansion of North American and overseas markets, development of low income fishing areas, and increased consumer education services to boost the consumption of fish on the domestic market. Mr. Mayhew addressed the Council on the opening day of the meeting.

Canada's 10 provinces were represented by those attending the meetings. They included 61 delegates from the 16 regional organizations that make up the Council, observers from among the membership of these organizations and federal and provincial representatives. F. Homer Zwicker, of Lunenburg, President of the Council, was chairman of the two-day session.

FISHERIES EXPORTS IN 1949: Exports of all fisheries products from Canada (including Newfoundland) declined by about 12 per cent during 1949. In 1948, Canada and Newfoundland together exported to other countries a record total value of \$120.4 million of fish and fishery products. In 1949, this total had dropped to \$106.2 million, this decline being due to a lower catch and to some slowing down in the marketing of certain forms.

Analysis of the exports of fisheries products is complicated somewhat by the entry of Newfoundland into Union at the end of the first quarter. The export statistics published by the Bureau of Statistics show total fishery exports of \$100.2 million. This includes \$14.2 million worth which was exported directly from Newfoundland ports during the last nine months of the year. Consequently, exports from the nine older provinces amounted to approximately \$86 million as compared to \$89.8 million in 1948, or a decline of approximately 4 per cent.

CANADA-NORWAY VISA AGREEMENT: The Department of External Affairs announced on March 20 that effective April 1, Canadian visitors to Norway who hold valid Canadian passports do not require Norwegian visas as a condition of entry to Norway.

This relaxation of the Norwegian visa requirements is the result of an agreement just concluded between Canada and Norway under which Norwegian visitors coming to Canada from Norway may receive from the Canadian Legation in Oslo multi-entry visas, free of charge, valid for an unlimited number of entries to Canada during a period of twelve months from the date of issue of the visas.

This agreement in no way exempts Canadian and Norwegian visitors from the necessity of complying with the immigration and residence regulations of Norway or Canada.

Non-immigrant visa modification agreements have previously been concluded with Sweden, Denmark, Belgium, Luxembourg and the Netherlands.

LABOUR INCOME UP: Estimated total of salaries and wages and supplementary labour income in 1949 stands at \$7,630,000,000, or about seven per cent higher than the revised estimate of \$7,113,000,000 for the preceding year. Increases were recorded in all industries with the exception of forestry and fishing, the decline in the former being substantial.

Labour income in agriculture, logging, fishing, trapping and mining as a group totalled \$586,000,000 in 1949 as compared with \$622,000,000 in the preceding year. In manufacturing, labour income for the year totalled \$2,582,000,000 compared with \$2,422,000,000 in 1948. In construction the year's total was \$527,000,000 compared with \$478,000,000 in the preceding year. The estimated total for utilities, transportation, communication, storage and trade for the year amounted to \$2,022,000,000 as compared with \$1,846,000,000 in 1948. In finance and services -- including government -- the year's labour income aggregated \$1,655,000,000 as compared with \$1,510,000,000 the year before. Supplementary labour income in 1949 totalled \$252,000,000 as compared with \$236,000,000 in 1948.

FARM LIVING COSTS ADVANCE: Overall cost of commodities and services used by Canadian farmers showed a slight drop in the five months from August last year to January this year, while farm living costs increased, according to indexes compiled by the Bureau of Statistics.

The Bureau's composite price index of commodities and services used by farmers, including farm living costs, declined from 192.3 for August to 187.9 for January. At the latter level, however, the index was fractionally

above the standing of 187.7 for January, 1949. The drop of 4.4 points from August to January this year was due entirely to a sharp seasonal drop in farm wage rates, the index of which fell from 388.1 to 324.8. Exclusive of farm living costs, the composite index fell from 204.2 for August to 196.3, which compares with 198.3 in January last year.

Reflecting increases for foods, fuel, health and maintenance, and miscellaneous items for both eastern and western Canada, the index of farm family living costs rose from 174.5 for August to 175.3 for January. The latest index was 3.5 points above the index for January, 1949. Clothing and household equipment remained unchanged in the five months.

Indexes for farm equipment and materials increased 4.2 points, rising from 180.2 to 184.4 the latter level comparing with 180.3 in January last year. Among its components, price indexes were higher in January this year than in August for farm machinery, building materials, gasoline, oil and grease, feed, fertilizer, seed and hardware, but was unchanged for binder twine, while all sub-groups moved higher than a year ago except seed.

CANADIAN OVERSEAS TELECOMMUNICATION CORP.: Appointment of David Leo Howard, who is Assistant General Manager of Canadian Pacific Communications, as President and General Manager of the Canadian Overseas Telecommunication Corporation, a new Crown company, was announced on March 17 by the Minister of Transport, Mr. Chevrier.

The bill covering the establishment of this Crown company received parliamentary sanction in the House of Commons on November 25, 1949. In advocating its passage, Mr. Chevrier told of similar legislation having been passed by other governments of the Commonwealth to set up national bodies in order to bring about the consolidation and strengthening of the radio and cable communication systems of the Commonwealth.

Canada is a signatory to the Commonwealth Telegraphs Agreement which was signed by representatives of the Commonwealth governments on May 11, 1948. In effect this agreement commits each partner government to acquire the external telecommunication assets operating within its territory with the exception of "Cable Heads", and in Canada it will mean acquiring for public operation such assets of Canadian Marconi Company Limited and Cable and Wireless Limited.

The Board of Directors for the new Crown company was also made known by the Minister, and in addition to Mr. Howard, the Board will have as its members Lt. Col. Henri Gagnon, Quebec, P.Q.; R.M. Brophy, Toronto; J.H. Hamilton, Vancouver, B.C.; and C.P. Edwards, Ottawa, Deputy Minister (Air), Department of Transport.

That neither war nor peace was inevitable. The steps taken to implement the North Atlantic Treaty had increased the improbability of military aggression and had strengthened the faith of Western European nations in the possibility of resisting aggression. The exchange of information between the signatories to the Pact was already resulting in greater efficiency and increased co-operation. The greatest shortage was equipment.

Mr. Claxton declared he had an announcement to make which would be of considerable interest. He explained:

"One of the purposes of the trip was to look into the question of officer training and to see if there was a way in which the considerable facilities which we have in Canada could be utilized for the benefit of the North Atlantic Treaty organization in general....

"On this trip, therefore, without commitments on either side, I asked the Defence Ministers of the countries visited whether or not they thought it would be desirable for us to offer to have some of their officers come to Canada for part of their training. Several of the countries already have similar arrangements for training in other countries, though on a smaller scale than we had in mind. The replies received from Ministers and Service Heads led me to recommend to my colleagues that we should make the offer....

"Accordingly we have forwarded, through the representatives in Ottawa of the countries concerned, letters to the Defence Ministers of the North Atlantic powers offering to train a total of 150 officers of the ground forces and 100 officers of the air forces from the various countries. It is assumed that the training proposed would last about a year, and that if the number of members of the other forces are available to come the plan would continue so there would be a continuing offer to train a total of 250 officers each year. The arrangements proposed do not contemplate any payments between countries. Later a reverse operation may be worked out whereby Canadian personnel would do training in other countries on a similar basis. This arrangement will be combined with the existing reciprocal arrangements that we have with the United Kingdom, the United States and France...."

Exercise "Sweetbriar" was reviewed by the Minister who stated:

"The most important single result of the exercise is that, of the armed forces that were engaged there, there are now over 5,000 United States and Canadian personnel who hold the Arctic in a healthy respect but no fear, who know that they can live there provided they meet the tough and challenging conditions....

"In addition to the lesson which we learned on exercise 'Sweetbriar', that we could live and work in the north country, we had additional confirmation of our ability to work with the American forces."

Mr. Claxton proceeded to give details on the appropriations being requested to support the armed forces. He said the Department was seeking \$425 million which was allocated between the navy, army, air force and defence research, between construction, equipment and personnel, between active, reserve and cadet services. He reported that:

"The proposed allocation of this appropriation of \$425 million as between the various defence functions provides that the expenditure for the Royal Canadian Navy be increased from \$67 million last year to \$82 million for the coming year. This increase is mostly attributable to the cost of implementing the previously announced programme of construction of three new anti-submarine escort vessels, one arctic patrol vessel--ice breaker; a gate vessel, and four minesweepers.

"The Royal Canadian Air Force expenditure would likewise be increased from \$138 million to \$169 million to cover the costs of manufacture of the F-86A fighter aircraft and the CF-100 all-weather fighters, as well as radar equipment.

"The expenditure for the army is being decreased from \$135 million to \$130 million because of the urgent requirements of the other two services for equipment. The provision of major items of new equipment for the army is being deferred in view of the relatively large present holdings of fighting equipment of this service....

"As at January 30, 1950, the total strength of the three services--that is, the active force--was 47,163 officers and men, representing 93 per cent of the present establishment and an increase of 2,004 over the figure for September 30, 1949, given in paragraph 93 of the white paper....

"We are continuing to place great emphasis on the air force, but not to the point where the proper balance between the three services is ignored. Air force equipment is immensely expensive, and we are spending very much more on the air force than on the other two services--it may surprise hon. members to learn, a far greater proportion than is being spent in other countries.

"In the current year there is being spent on the air force in the United Kingdom 29 per cent, France 30 per cent, United States 34 per cent, but in Canada 42.6 per cent. This proportion will be further increased to 44.8 per cent for 1950-51, if the House votes the present estimates....

"Defence research activities have been carried on on an increased scale, maintaining close co-operation with research activities in other countries and with other research activities in Canada.

"In civil defence we have completed the stage of planning at the federal level....

"Our over-all plan we believe meets the strategical needs of Canada and makes the best use of the resources available...."

Mr. Claxton brought up the question of procurement of equipment and stated:

"This question of equipment is extremely important, particularly in view of the close relations between the United States and Canada.

"The integration of industrial capacity under the Hyde Park declaration helped to win the war. A similar arrangement is in the interest of both the United States and Canada in peacetime. The continuation of the general principles of the Hyde Park declaration was accepted in an exchange of notes in May, 1945, and the joint declaration of February 12, 1947. I may say that our friendly discussions with members of the administration in the United States and with their highest service officials show that they hold the same view as we do. It makes sense for Canada and the United States to co-operate industrially and economically with relation to defence as well as in training and command and battle practices.

"In consequence of discussions I am glad to say that, pending a more satisfactory permanent solution, temporary arrangements have been worked out which permit purchasing of some equipment in the United States, but there is still the problem of finding the United States dollars...."

CURRENT EMPLOYMENT PICTURE According to a statement made by the Minister of Labour, Mr. Mitchell, on March 20, the employment situation is continuing to improve. Exclusive of new registrations by those claiming supplementary benefits under recent changes in the Unemployment Insurance Act, the number of persons registered for work at National Employment Service Offices numbered 372,900, a decline of 8,000 from the peak figure of 380,900 on February 9. The new registrants under supplementary benefits are excluded from the March 2 total in order to arrive at a figure comparable to February 9.

On March 2, the local offices had received about 12,000 applications for these supplementary benefits, of which, 3,000 were made by persons not previously registered. The total number of job seekers at March 2 was 375,900.

The trend in employment is shown by the following figures on persons seeking work through National Employment Services Offices: On February 2-375,500, on February 9-380,900, on February 16-378,300, on February 23-374,500, and on March 2-372,900 (excluding 3,000 new registrants under the supplementary benefit programme).

At the present time, an estimated 82 per cent of all job seekers registered at National Employment Service Offices are receiving or claiming normal unemployment insurance benefits. The payment of supplementary benefits during the month of March will probably increase this proportion considerably. During February, benefit payments totalled \$13,600,000.

In the Atlantic region, just over 11 per cent of the labour force was looking for work through National Employment Service Offices at the beginning of March, as compared with 10.2 per cent at the same time last month. Most of the increase in job seekers is due to conditions in Newfoundland. In the Quebec region, there has been an increase in the number of registered job seekers during the week of March 2, due to the fact that many loggers are claiming supplementary benefits. In the Ontario region, the proportion of job seekers to the labour force remains at about 5 per cent, well below the national average. In the Prairie region, as in Ontario, the proportion of job seekers to the labour force remains at about 5 per cent. Employment in the Prairies has shown the greatest relative gain over the level of last year among the five regions. The rural electrification programme, and the oil developments in Alberta are among the important factors contributing to an expansion of production and employment. In the Pacific region, there has been a steady decline in the number of job seekers registering at National Employment Service Offices. Since the middle of February, about 10,000 loggers, construction and sawmill workers have returned to their jobs.

BRAZILIAN GOVERNMENT SCHOLARSHIP The Department of External Affairs announced on March 17 that the Brazilian Government has offered a scholarship to be awarded to a Canadian citizen for study at a recognized Brazilian university. The scholarship is open to any student who will have received, by the end of the present academic year, a degree higher than Bachelor of Arts.

The scholarship is intended to run for six months from the date of arrival of the chosen candidate in Rio de Janeiro, which must be not later than July 1 of this year. Its total value is approximately \$1200.00 (22,800 cruzeiros). The successful candidate will be expected to pay his own travel expenses to and from Brazil.

CANADA-UNITED STATES HIGHWAY TRAFFIC: Highway traffic between Canada and the United States was seven per cent higher in January than in the same month last year. Canadian traffic returning from the United States was up 13 per cent, and United States traffic entering Canada increased by five per cent. Aggregate border crossings in January totalled 461,200. United States vehicles numbering 305,400 and Canadian vehicles 155,800.

Foreign vehicles entering Canada on traveller's vehicle permits increased nine per cent in February, numbering 39,033 as compared with 35,826 in the corresponding month last year. All provinces reported gains except Ontario and Nova Scotia.

"MAGNIFICENT" THEORETICALLY SUNK: HMCS Magnificent at Sea, March 17 -- The aircraft carrier Magnificent and her destroyer escort, HMCS Micmac, theoretically were sunk on March 16 when numerous United States naval aircraft carried out simulated attacks on the two Canadian ships off the east coast of Cuba in the first phase of combined exercises in the Caribbean.

In the same exercises Canadian Naval Firefly aircraft theoretically crippled the US carrier Philippine Sea, the battleship Missouri and the heavy cruiser Salem and strafed supporting destroyers.

Although the Canadian ships and aircraft were outnumbered approximately 11 to one by the opposing force, the Canadian aircrews scored two successful strikes against the enemy without being intercepted. The Magnificent's lack of fighter cover while her strike aircraft were away left her vulnerable to wave after wave of American jets, dive bombers and fighters, which, in actual warfare, would have spelled destruction.

(The RCN fighter squadrons, 803 and 883, armed with high speed Sea Fury aircraft, are at present engaged in intensive training at the Naval Air Station at Dartmouth, N.S. Normally the Magnificent would not operate without her fighter umbrella).

"The exercise proved a great success and it also demonstrated that we are sitting ducks for any type of air attack without our fighter aircraft", Commodore K.F. Adams, RCN, commanding officer of the Magnificent, stated at the close of the air battle.

Commodore Adams was well satisfied with the performance of the search aircraft, which detected the "enemy" some 100 miles away within three-quarters of an hour of take-off, and that both Canadian air strikes were carried out without "enemy" air interception.

55,000,000 H.P. POTENTIAL: The Minister of Resources and Development, Mr. Winters, has issued the annual review of the Water Resources Division, Development Services Branch, which covers the potentially available and currently developed water resources of Canada.

The currently recorded waterpower resources of Canada, including the new Province of Newfoundland, are shown as totalling nearly 27,000,000 h.p. under conditions of low stream-flow, and nearly 43,000,000 h.p. at average flow. The latter figure represents a feasible turbine installation of over 55,000,000 h.p. At the close of 1949, total turbine installation is given as 11,613,333 h.p. indicating that only 21% of available resources has been developed. During 1949, hydro-electric construction was very active with 480,565 h.p. of new capacity coming into operation. Good progress was also made on other new developments, and on projects in course of investigation and planning.

About 90% of hydraulic plants serve as

central electric stations and, in 1949, with production reaching a new high level, a primary demand curtailed the use of secondary power. The pulp-and-paper and mineral industries are the more important consumers of hydraulic power. The installed capacity of waterpower plants in Canada now equals 857 h.p. per thousand of population.

RADIOLOGICAL HEALTH PROGRAMME: The Industrial Health Division of the Department of National Health and Welfare has just formed a new section to develop a radiological health programme to meet potential health hazards created by the increased use of radioactive materials and radiation-producing apparatus.

This was announced on March 22, by the Minister of National Health and Welfare, Mr. Martin, who said that the Civil Service Commission had approved the appointment of Dr. C.H. Guest, Chalk River, Ont., to take charge of this work. Dr. Guest was formerly head of the Health Radiation Branch in the National Research Council's atomic energy project at Chalk River.

According to Dr. K.C. Charron, chief of the Industrial Health Division, more and more radioactive materials are being distributed in Canada. Many of the universities are now receiving them for medical and biological research as are a few of the larger hospitals. Industry has also begun to use radioactive substances, particularly radium and radioactive cobalt.

RCAF ANNUAL CONFERENCE: Senior RCAF officers from across Canada and from Air Force staffs in the United Kingdom and the United States met in Ottawa Monday, March 20, for the annual Headquarters conference at Air Officers' Commanding.

The conference discussed RCAF operations during the last year and future plans, in addition to overall Air Force policy.

The Minister of National Defence, Mr. Claxton, greeted the officers. The conference was headed by Air Vice Marshal A.L. James, CBE, acting Chief of the Air Staff.

HOURLY EARNINGS AT PEAK: Average weekly wages paid to hourly-rated wage-earners employed by leading Canadian manufacturing establishments at January 1 this year amounted to \$40.48, down \$2.42 from the peak figure for December 1, but \$1.02 above the January 1949 average of \$39.45. The decline from December 1 was due to the observance of holidays and to seasonal inactivity in certain industries.

Hourly earnings reached a new maximum of 161.2 cents at January 1, an increase of 1.2 cents over December 1, and an advance of four cents over January, 1949.

IN PARLIAMENT

77,000 D.P.'s: During discussion of an item in the estimates of the Department of External Affairs to provide further funds for the International Refugee Organization, The Secretary of State for External Affairs, Mr. Pearson, said on March 21:

"It may be of interest to the Committee to know that because of the work of the IRO 690,000 refugees have now been moved out of Europe or from refugee camps to other countries. It is anticipated that there will be only a small number left by the end of June of this year. Of that number of 690,000, Canada has received some 77,000; Australia, 105,000; France, 36,000; Israel, 116,000; The United Kingdom, 83,000; and the United States of America, 150,000...."

ABDUCTION OF GREEK CHILDREN: Following protests by Mr. Donald M. Fleming, (PC--Eglinton) and Mr. Andrew W. Stuart, (Lib.--Charlotte, N.B.) at the abduction of thousands of Greek children by communist guerrillas, the Secretary of State for External Affairs, Mr. Pearson, spoke, in part, as follows in the House of Commons on March 21:

"I agree with the two hon. gentlemen who have just spoken, that among all the evil and vicious actions of the communist guerrillas in Greece and southeast Europe the abduction of the children from Greece into the communist countries has been possibly the most evil and the most vicious. As the hon. member for Eglinton has just pointed out, the situation has been discussed by the United Nations Assembly on two occasions. At the last Assembly we succeeded in getting through a resolution which even the communist states could not oppose. That resolution, if I remember it correctly, would have made it easier for the International Red Cross to go into those countries where these children are kept and investigate, report and help repatriate them. We hope, that as a result of that resolution, some progress has been made. What it is, I am not in a position to state at this time, although I understand the situation in Yugoslavia has been greatly improved.

"I believe that the Director of the International Red Cross will be in Ottawa before long. I shall then have an opportunity of talking about this matter with him, and I shall be glad to follow it up to see if there is anything more we can do. If there is, we should be happy to do it...."

CIVIL AVIATION APPOINTMENT: Appointment of J.R.K. Main to the newly created post of Assistant Controller of Civil Aviation at Ottawa is jointly announced by the Minister of Transport, Mr. Chevrier, and the Civil Service Commission. Mr. Main was District Controller of Air Services with headquarters at Edmonton

and he will be succeeded by Dr. T.G. How who is presently Superintendent of public weather forecast services at Toronto headquarters.

RECORD PETROLEUM PRODUCTION: Canadian production of crude petroleum rose to an all-time record total in 1949, due principally to sharply increased output from the Leduc and Redwater fields of Alberta. Production from the Lloydminster field also advanced, while output from Turner Valley was lower.

According to preliminary figures, the year's output of crude petroleum aggregated 21,487,130 barrels, an advance of 74 per cent over the preceding year's figure of 12,368,042. December's output was 1,782,856 barrels, moderately below the 1,915,028 produced in November, but above the December, 1948 total of 1,247,654.

Alberta accounted for 20,246,466 barrels in 1949 as compared with 10,973,583 in 1948. Leduc's output rose to 9,688,784 from 4,657,371 in 1948, Redwater to 4,793,491 barrels from 3,875, and Lloydminster to 716,941 barrels from 648,055.

Crude output from Turner Valley fell to 3,826,543 barrels from 4,428,688. Taber to 150,746 barrels from 201,527. Conrad to 139,728 barrels from 182,255, Princess to 121,227 barrels from 187,084, and Vermillion to 86,933 barrels from 112,331.

The year's output in Saskatchewan amounted to 779,962 barrels as compared with 847,095 in 1948, Ontario 258,374 barrels compared with 176,225, Northwest Territories 182,783 barrels compared with 349,768, and New Brunswick 19,545 barrels compared with 21,371.

CANCER CONTROL FACILITIES: Within five years there will be unexcelled cancer control facilities in every Province in Canada, declared the Minister of National Health and Welfare, Mr. Martin, speaking on March 22, in Windsor, Ontario.

Federal grants are making it possible for the Provinces to extend their laboratory and pathological services, to employ and train more cancer specialists, to provide them with more radium, to establish more free biopsy services and to carry on programmes of health education essential to success in the fight against this disease.

The Minister declared that, since the National Health Programme was launched by the federal Government, great progress had been made against cancer as well as in other health fields because of the federal grants available. New and free cancer diagnostic clinics had been established and existing clinics were strengthened, hospitals had been reimbursed in part for the cost of cancer patients, free x-ray and radium therapy was being supported in certain provinces and many workers in cancer control were receiving specialized training.

DIVORCE RATE DROPS SHARPLY: Both in number and rate, divorces in Canada have dropped off sharply in the last two years, after a rapid climb during the war and early post-war years from 1941 to 1947. In 1948 the number fell 16 per cent from the all-time high in 1947, and last year showed a further drop of 14 per cent. In the two years the all-Canada divorce rate has fallen from 65.3 to 44.9 per 100,000 population.

According to preliminary figures, divorces in 1949 totalled 5,911, down from the preceding year's figure of 6,881, but a sharp advance over the 1940 total of 2,369. The decrease from 1948 lowered the rate per 100,000 population from 53.5 to 44.9. In 1940 the rate was 20.8.

WHOLESALE SALES DOWN: Sales of wholesalers in January this year were five per cent lower than in the same month last year, and 11.4 per cent below December 1949, according to statements submitted by 367 wholesalers representing nine lines of trade.

The unadjusted index of sales for the nine trades, on the base, average for 1935-39=100, stood at 231.8 for January, compared with 243.2 for January, 1949, and 261.5 for December last year.

All regions of the country shared in the general decline in sales except the Maritimes, where a fractional gain of 0.6 per cent was

recorded. Sales in the Prairie Provinces and Ontario were each down four per cent from a year ago, Quebec seven per cent, and British Columbia nine per cent.

MINERAL PRODUCTION INCREASED: Production of 11 of Canada's 16 leading minerals was increased in 1949 over the preceding year, asbestos, gypsum, lead, lime, and nickel showing declines. In December, production was lower than a year earlier for clay products, coal, gypsum, lime, nickel and salt.

According to preliminary figures, output for the year by items, was as follows, totals for 1948 being in brackets: asbestos, 573,668 (716,769) tons; cement, 15,916,564 (14,127,123) barrels; clay products, \$17,669,815 (\$17,234,475); coal, 19,109,747 (18,449,689) tons; copper, 525,983,025 (481,463,966) pounds; gold, 4,112,626 (3,529,608) fine ounces; iron ore, 3,774,525 (1,337,244) tons.

Lead production in the year amounted to 320,984,062 pounds compared with 334,501,917 in 1948; lime, 1,019,110 (1,050,427) tons; natural gas, 62,089,307 (58,603,269) M cubic feet; nickel, 252,168,484 (263,479,163) pounds; petroleum, 21,487,130 (12,368,042) barrels; salt, 749,727 (741,261) tons; silver, 17,377,194 (16,109,982) fine ounces; zinc, 581,382,544 (468,327,036) pounds; gypsum, 2,994,797 (3,216,809) tons.



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WEEK'S EVENTS IN REVIEW

CANADIAN FOREIGN TRADE REVIEWED: Canada's credit balance in commodity trade with all countries, inkeeping with the seasonal pattern of recent years, dropped off in January to \$11,800,000 from last year's peak of \$74,900,000 in December, and was also moderately below the balance of \$15,200,000 for January, 1949, according to the Bureau of Statistics.

Both commodity imports and exports were lower in January this year than last. The former were valued at \$211,900,000 as against \$223,800,000, showing the first decrease for January during the postwar years. Total exports -- domestic and foreign -- declined in dollar value to \$223,800,000 compared with \$239,000,000.

Imports from the United States during January continued the downward trend of previous months, being valued at \$154,500,000 compared with \$164,800,000 a year earlier. In contrast, total exports to that country rose to \$133,000,000 from \$117,500,000, reaching the highest peacetime January figure. Canada thus had a reduced adverse balance with the United States of \$21,500,000 as compared with \$47,300,000 in January last year. This adverse balance follows upon abnormal credit balances in November and December totalling \$21,600,000.

In trade with the United Kingdom, there was a favourable balance of \$22,800,000, down from \$30,500,000 a year earlier as the result of a decline in total exports to \$48,900,000 com-

pared with \$55,900,000 and a slight rise in imports to \$26,100,000 from \$25,400,000.

Total exports to all other countries -- Commonwealth and foreign -- had an aggregate value of \$41,900,000 in January, while imports from these countries amounted to nearly \$31,400,000, leaving a credit balance of \$10,500,000. This compares with an export balance of \$28,700,000 in January, 1949, when exports to the Commonwealth countries were much higher.

Besides the decrease in the value of January imports from the United States as compared with a year earlier -- amounting to \$10,300,000 in a total decrease from all countries of \$11,900,000 -- there were decreases in purchases from Latin America, Europe, the British West Indies and Commonwealth countries in Africa and Asia. Partly offsetting these were the small gain in dollar value of imports from the United Kingdom and larger gains in those from Australia and the remaining foreign countries. The apparent decrease in the volume of imports from the United States was substantial while the volume of imports from the United Kingdom rose significantly.

Most of the decline from \$164,800,000 to \$154,500,000 in the value of the month's imports from the United States was due to lower Canadian purchases of iron and steel products and non-metallic mineral products, according to a breakdown of imports by main groups from the United States and the United Kingdom now

AIRCRAFT ICING TO BE STUDIED: A gleaming new RCAF North Star aircraft, known as the "Rockcliffe Ice Wagon", specially modified by Canada for experimental studies of aircraft icing and prevention against this hazard, will take to Canadian skies this month on its year-round search for the worst weather on the continent. Virtually a flying laboratory, the "Ice Wagon" is manned by an RCAF crew and carries a team of scientists from the Cold Weather Laboratory of the National Research Council.

The new "Ice Wagon" is an odd-looking aircraft, equipped with a high shark-like fin set in the middle of the fuselage, and a number of perspex observation blisters strategically placed throughout the aircraft. The fin is used for experimental work in electro-thermal wing de-icing. On the inside of the aircraft intricate equipment measures the density of clouds, their water content, determines the effect of ice on propellers and there is even an instrument which gives the pilot visual warning of icing conditions.

Icing conditions, dreaded by all pilots, are encountered at temperatures ranging from above freezing to 40 below zero. National Research Council personnel have pioneered in anti-icing research, and as early as 1935, Gen. A. G. L. McNaughton then head of the Council, pointed the way to electro-thermal heating as an answer to the problem. Today one of the NRC developments in general use is a special leading edge cover for propeller blades, which when electrically heated, can rid propellers of any type of ice

UNEMPLOYMENT INSURANCE CLAIMS: Claims for unemployment insurance benefits in January numbered 196,624 as compared with 150,480 in the preceding month and 140,305 in the corresponding month last year. Initial and renewal claims, which provide a measure of new cases of recorded unemployment, totalled 182,053 as compared with 139,406 in December and 126,649 a year earlier. On the last working day in January, ordinary claimants on the live unemployment register numbered 297,238 as compared with 222,064 at the end of December and 197,675 on the same date last year. There were increased claims in all provinces in January and benefit payments amounted to \$11,781,142 for 4,925,381 compensated days as against \$6,727,221 for 3,056,418 days in January last year.

ONTARIO TB SERVICES TO EXPAND: Ontario's tuberculosis detection services will be expanded with the purchase of four more mobile x-ray units according to the Minister of National Health and Welfare, Mr. Martin.

The new units will be based on the sanatoria in London, Weston, St. Catharines and Fort William. Expansion of clinical facilities has been a co-operative enterprise with the Ontario

Department of Health and the sanatoria providing clinical supervision and local, voluntary tuberculosis committees paying the costs of operation from Christmas seal funds, Mr. Martin explained. Investigation has shown that the local groups cannot assume the full cost of expanded services in their districts. Hence, the federal Government has agreed to provide the necessary equipment and to meet the salaries of the additional clinic physician and the x-ray technician needed to operate it. The voluntary associations will still be responsible for upkeep of the equipment, supplies and travelling expenses. The cost to the federal Government in the current fiscal year will be about \$30,000.

EXPORT WHEAT SUPPLIES: The combined wheat supply of the United States, Canada, Argentina and Australia -- the world's four major exporting countries -- amounted to 1,683,000,000 bushels on January 1 this year, some 109,000,000 bushels above the supply level at the beginning of 1949. Moderate declines in Canada and Argentina were more than offset by increases in supplies in the United States and Australia.

The total supply of the five principal grains -- wheat, corn, barley, rye and oats -- stood at 162,000,000 short tons, about 16 per cent above the average of the past five years, but only slightly above the large 1949 supply. Stocks of each grain in Canada and Argentina -- with the minor exception of oats in the latter country -- declined from the January 1, 1949, position.

The United States Office of Foreign Agricultural Relations states that total world breadgrain import requirements for 1949-50 are expected to be reduced 10 per cent or more from the total 1948-49 exports of 26,700,000 long tons -- 970,000,000 bushels of wheat and flour in terms of wheat, and 30,000,000 bushels of rye. Supplies of wheat available for export in the principal surplus-producing areas are considered adequate to meet the export demand with significant increases in stocks not being anticipated except in the United States.

CANADIAN-MEXICAN CO-OPERATION: Speaking in Mexico City, on March 10, the Minister of Resources and Development, Mr. Winters, referred to the post war increase in Canadian-Mexican trade. He said, in part: "Canadians are great believers in the virtues of the freest possible international exchange of people and goods. Our trade with Mexico is a good example. For we have been buying as much from your country as we need and could get at competitive prices -- with little regard to the fact that we have been buying more from your country than we have been selling to you. Our purchases from Mexico in 1949 involved goods worth more than \$25 million, including large

quantities of raw cotton, fruits, vegetables, sisal and tampoico fibres, and some metals. As a result Mexico had a favourable trading balance of over \$10 million with Canada in the last year."

Mr. Winters spoke of Canadian investment in the industrial development of Mexico and of the establishment of direct transportation services by sea and air between the two countries.

DRB SCIENTIFIC CONFERENCE: The Defence Research Board will hold its second scientific conference in Ottawa for three days March 15 to 17, according to an announcement by the Minister of National Defence, Mr. Claxton.

Members and staff of the Board and prominent scientists from Canadian universities and Canadian, British and American scientific organizations will hold closed meetings to discuss defence research problems.

Papers will be presented in the major fields of chemistry, physics, medicine, psychology and operational research. Most of the papers deal with the research activities of the scientific establishments operated by the Board and are concerned with the applications of science to military problems.

Among those expected to attend are: Sir Alwyn Crow, Head of the British Joint Services Mission in Washington; Sir Charles Wright, scientific advisor to the British Joint Services Staff (Naval Staff), Washington, D.C.; Dr. R.F. Rinehart, executive secretary of the Research and Development Board, U.S.A.; Dr. C.J. Mackenzie, President of the National Research Council; Dr. C.H. Best, University of Toronto; Dr. P.E. Gagnon, Laval University; Dr. J.H. Johnstone, Dalhousie University; Dr. Otto Maass, scientific advisor to the Chief of the General Staff McGill University; Dr. G.M. Shrum, University of British Columbia; Dr. R.F. Farquharson, University of Toronto; B.G. Ballard, National Research Council; Dr. E.A. Bott, University of Toronto; Dr. P.M. Millman, Lominion Observatory; Dr. C.B. Purves, McGill University.

COMMITTEE ON OLD AGE SECURITY: The Minister of National Health and Welfare, Mr. Martin, proposed in the House of Commons, on March 10:

"That a joint committee of both Houses of Parliament be appointed to examine and study the operation and effects of existing legislation of the Parliament of Canada and of the several provincial legislatures with respect to old age security; similar legislation in other countries; possible alternative measures of old age security for Canada, with or without a means test for beneficiaries, including plans based on contributory insurance principles; the probable cost thereof and possible methods of providing therefor; the constitutional and financial adjustments, if any,

required for the effective operations of such plans and other related matters."

Mr. Martin pointed out that the Government attached great importance to improving old age security in Canada but that it would be unwise to embark upon a "proposal of such magnitude that it will effectively prevent us from considering other important social security measures" and might prove beyond Canada's capacity to continue in future years.

He emphasized the need for federal-provincial consultations on the subject and he stated: "what we wish to do is to develop, within the limits only of the financial capacity of our people, and with due regard to our over-all commitments in all fields of social security and other governmental responsibilities, the simplest, most effective and most humane system of old age security that it is possible for us to devise. We wish to do this, not in open disregard of provincial rights or interests or concerns, but in full consultation, agreement and partnership with them..."

THE PRIME MINISTER ON UNEMPLOYMENT: In statements to delegations from the Trades and Labour Congress and The Canadian and Catholic Confederation of Labour, March 9 and 10, Prime Minister St. Laurent conceded Canada had a larger-than-usual number of unemployed but stated the Government did not consider the time had come to authorize public works to provide jobs. He told the delegations there was no reason to be pessimistic about the future and, if confidence were maintained, he was sure economic activity would continue at a high level. Mr. St. Laurent stated that in the last month the trend in unemployment had been downward and had set in that direction. He attributed this winter's unemployment largely to climatic conditions and to the reduction of inventory stocks by some enterprises which had seen in the U.S. recession last spring a forerunner of a depression.

CANADA'S NEW JET FIGHTER SHOWN: At Rockcliffe Airport, Ottawa, on March 10, the Avro CF-100 was put through some of its paces for a distinguished audience, including the Governor General, Prince Bernhard of The Netherlands, the Minister of National Defence, Mr. Claxton, members of Parliament, and military and diplomatic representatives. The sleek, black, jet fighter, piloted by Squadron Leader W.A. Waterton, was put up to 575 miles an hour within the circumference of the air field, took-off on an estimated 60 degree angle after a run of only 1,000 feet and showed manoeuvrability far surpassing that of the Vampire. Its ultimate speed is a secret.

The CF-100 was designed for the defence of North America and has been developed by Canada as her part in joint continental or North Atlantic Treaty defence. It is powered, at

present, by Rolls-Royce Avon engines, later to be replaced by Avro Orenda turbojets, has an overall length of 52 feet, 6 inches, and a wingspan of 52 feet. It is the first long-range, all-weather, day-night fighter of its type.

Also demonstrated was the Avro jetliner, the first jet transport designed for inter-city travel. It had been flown from Malton, 230 miles from Ottawa, in 36 minutes, 5 seconds.

SAUNDERS WHEAT THIRD BIRTHDAY: Celebrating its third birthday in March, Saunders wheat is showing encouraging growth and usefulness. This rust-resistant, early maturing and high milling and baking quality wheat was named after Dr. William Saunders, the first director of the Experimental Farms System, and his son, Sir Charles E. Saunders, first Dominion Cereal-ist.

In 1903 Sir Charles E. Saunders planted a single grain of Marquis wheat, the development of which was the main factor in making the prairie provinces of Canada outstanding in the production of high quality spring wheat.

Saunders wheat was licenced after exacting trials had been conducted for a period of six years. It originated from the cross 44.7X. Thatcher, both stem rust-resistant, the first being an early maturing variety and the second a good baking quality variety. Saunders resembles Marquis in colour and is superior to Thatcher and Red Bobs in this respect. It is highly resistant to stem rust, bunt, loose smut and root rot and moderately resistant to leaf rust. It is estimated that $1\frac{1}{2}$ to $1\frac{3}{4}$ million bushels of Saunders were harvested in 1949 and considerable seed stocks are now available.

DR. KEENLEYSIDE APPOINTED: Dr. H.L. Keenleyside, Deputy Minister of the Department of Resources and Development, has been chosen to head a United Nations team of experts to work out a plan for technical assistance to Bolivia, according to an announcement made by the Minister of Resources and Development, Mr. Winters, on March 10 in Mexico City.

FARM PRICES DOWN: Farm prices of Canadian agricultural products -- excluding Newfoundland -- moved downward in January, the monthly index number, on the base 1935-39=100, standing at 239.3 as compared with 246.0 for December, and 257.7 for January last year. The January index is the lowest recorded since December, 1947, when the index stood at 226.7. The substantial decline in the index for January is attributable in large part to the decline in the price of hogs and eggs. As compared with a year ago, current prices were lower for nearly all commodities.

The annual average index for 1949 was 251.2, showing a slight decline from the all-time annual average figure of 252.6 in 1948. For 1947 the index stood at 212.5.

COST-OF-LIVING INDEXES UP: Cost-of-living indexes for eight regional cities moved higher during January. Increases were largely confined to foods and reflected higher prices for beef, lamb, eggs, oranges, coffee and sugar. In most centres, miscellaneous series indexes also showed fractional advances. Clothing and home-furnishings were generally lower, while fuel costs were unchanged, except in Saint John and Montreal where small increases were noted. Indexes for rents, which were not surveyed, remained unchanged.

Composite city index increases between January 3 and February 1 were as follows: Vancouver, 1.5 to 163.4; Saskatoon, 1.4 to 163.6; Winnipeg, 1.3 to 156.3; Edmonton, 1.2 to 158.1; Toronto, 0.7 to 157.6; Saint John, 0.7 to 157.8; Halifax, 0.6 to 153.3; Montreal, 0.4 to 164.2. During the same interval Canada's index rose 0.6 to 160.3.

CANCER FILM WORLD PREMIERE: "Challenge -- Science Against Cancer", a film produced by the National Film Board under joint Canada-United States sponsorship, was given its world premiere in New York on March 13.

The film was made to acquaint the public with the latest facts on cancer research. Canadian and American scientists, research laboratories and film technicians co-operated to produce the film explaining the meaning and accomplishments of cancer research. The English version is narrated by Canadian-born Raymond Massey.

One of the principal speakers on this occasion was the Minister of National Health and Welfare; Mr. Martin, who said that under Canada's National Health Programme \$34,000,000 would be available in the year ahead to support health services in the provinces and the cancer control campaign was leading to positive action to get a reprieve for as many as possible of the 1,500,000 Canadians suffering from cancer. He stated that "in Canada we have the foundations of a cancer control system to stand comparison with any... We are now studying how to do a better job."

Mr. Martin explained that the National Health Programme included an annual grant of \$3,500,000 to support cancer activities in all the provinces -- on condition they spent at least as much; and that the National Cancer Institute of Canada had been established three years ago to co-ordinate the drive against cancer. Already more than 70 major cancer research projects had been initiated. Under the federal grant, he said, 31 new and free cancer diagnostic clinics had been established.

The world premiere of the film was, Mr. Martin declared, "a good occasion to recall the friendly assistance we have always received in Canada from cancer authorities in the United States, and the ideas and research workers that we have been glad to exchange with you."

Dr. Brock Chisholm of Ottawa, director of the World Health Organization, and Oscar Ewing, U.S. Federal Security Administrator, also spoke at the New York premiere.

The Canadian premiere of the film will be held shortly in Ottawa.

APPOINTMENT TO U. N. STUDY GROUP: J. E. G. Hardy, of the Department of External Affairs, has been selected by the U.N. Internes Selection Board to be one of a group chosen to participate in an eight weeks programme to make a working study of the United Nations. Under the programme the internes will be assigned to temporary posts in the secretariat and will attend lectures by leading members of the secretariat and meetings of councils, commissions and committees.

NEW SLEEPING CARS FOR CNR: The Canadian National Railways has put on display in Montreal one of its 20 new duplex roomette cars, the latest in sleeping car accommodation for rail travellers in Canada. The car, first of its type, will go into service on the Ocean Limited from Montreal to Halifax.

Each car has 24 roomettes, 12 at floor level and 12 raised two steps higher. Each room is completely private and self-contained and the occupant can control the room temperature, ventilation, air conditioning and lighting. There is a wide window to provide a full view of the scenery, fold-away ashtrays, and a foam-rubber seat. The beds in the rooms recess in the walls during daytime occupancy. A sliding door closes off the room and in addition there are curtains over the doorway which can be closed with a zipper.

TRIPARTITE ATOMIC CONFERENCE. Representatives of the Atomic energy projects of Canada, the United Kingdom and the United States will attend a technical conference to be held at the Canadian atomic energy establishment at Chalk River, Ontario, March 22, 23 and 24 to discuss problems in the design and application of instruments for detecting and measuring radiations encountered in atomic energy work.

The Conference is being held within the technical co-operation programme as carried on among the respective Governments for the past several years.

The Chalk River Conference will be a closed meeting. It will be highly technical and will deal with detailed applications of instrumenta-

tion, particularly having to do with the reliability of electronic equipment used for radiation detection and measurement.

Representatives from ten atomic energy centres in the United States will attend the conference at Chalk River and the United Kingdom will send two representatives. The Canadian group will be headed by Dr. W. B. Lewis, Director of Research of the Atomic Energy Project, Chalk River.

INAUGURATION OF TCA FLORIDA RUN: Trans-Canada Air Lines has announced the inauguration on April 2 of flights between Toronto and Tampa and St. Petersburg, Florida. The new service will provide the first direct air transportation between Canada and the southern United States and will also link western Florida with Jamaica and the Bahamas.

The north-south route will be flown by four-engine pressurized "North Stars". It is designed to facilitate exchange of business contacts as well as to serve the needs of vacationists from all parts of Canada for quick travel to holiday centres in the Caribbean. It will also open new holiday opportunities in Canada for residents in the southern States. The air line now serves eight major American communities.

The new route was licensed by the Civil Aeronautics Board of the U.S. and is part of the extension of air traffic services agreed upon by Canada and the United States last June.

STEEL CONTROL TO END: The Minister of Trade and Commerce, Mr. Howe, announced on March 15 the end of Steel Control effective March 31. He expressed his appreciation of the manner in which the Canadian steel industry had cooperated with the Department of Trade and Commerce and with the Steel Controller during the period of control.

Steel control was terminated following the end of hostilities in the autumn of 1945, but was reinstated in January, 1946, in the face of a critical world wide steel shortage. The steel situation is now substantially improved and while work stoppages in the United States are having a temporary adverse effect on the Canadian steel situation, the future position is considered satisfactory.

Also announced was the resignation of Douglas A. Jones, Steel Controller, effective March 31, coincident with the termination of control. Mr. Jones is returning to private industry. Mr. Howe paid high tribute to the work of Mr. Jones in maintaining supplies of steel to the Canadian industry through a difficult period, during which he displayed both capacity and ingenuity. "It is largely through his efforts that the Canadian steel situation has been brought to a position which no longer requires government control", Mr. Howe said.

being supplied by the Bureau of Statistics in its preliminary trade bulletins. Imports in the former group fell off to \$61,578,000 from \$67,134,000 last year, and in the latter to \$25,447,000 from \$30,220,000. Imports of animals and animal products were down by \$1,500,000 to \$5,251,000 and of the fibres and textiles group about the same amount to \$15,000,000. Increases of lesser amounts were shown in the other groups.

While total imports from the United Kingdom increased slightly in value, imports of fibres, textiles and products -- largest in value -- declined sharply to \$8,593,000 from \$12,098,000 last year, a change which indicates only a moderate drop in volume, however. Minor decreases were recorded also for the non-metallic minerals and miscellaneous groups. All other groups moved upward, non-ferrous metals including platinum showing the largest rise, from \$1,930,000 to \$4,281,000.

Imports from the British West Indies group declined in January to \$1,509,000 from \$1,835,000 in January, 1949; from Commonwealth countries in Africa to \$1,120,000 from \$1,593,000; and from those in Asia to \$5,139,000 from \$6,274,000. On the other hand, purchases from the Oceania group were more than doubled in value at \$1,955,000 compared to \$866,000, led by a rise for Australia from \$715,000 to \$1,455,000. Total value of imports from all Commonwealth countries, including the United Kingdom, increased slightly for the month to \$36,865,000 compared with \$35,986,000.

Due mainly to a drop from \$7,005,000 to \$5,975,000 in purchases from Venezuela, imports from Latin America declined in value to \$12,358,000 from \$14,182,000 a year ago. There were widespread, generally small, decreases in January imports from European countries, the total value for Europe declining to \$5,055,000 as against \$6,649,000. In contrast, the aggregate value of imports from the remaining

foreign countries rose to \$3,085,000 compared with \$1,426,000, the largest gains being in imports from Arabia and the Netherlands Antilles.

Decreases from January last year were recorded for the month in total imports of the animals and animal products, fibres and textiles, iron, and non-metallic minerals group. Largest in value, the iron and products group moved down to \$67,734,000 from \$73,510,000, declines being shown for a majority of main items with the largest in dollar volume in rolling-mill products and engines and boilers. Automobiles and automobile parts were both higher. The non-metallic minerals group, next in size, decreased to \$35,600,000 from \$40,207,000, major reductions being in coal and petroleum products. There was a similar decline in the textiles group to \$29,378,000 from \$35,146,000, with marked decreases in cotton products, wool products and artificial silk and an increase in raw wool. The smaller animals group fell off to \$6,631,000 compared with \$8,891,000.

Among the five other groups, the largest increase was in non-ferrous metals from \$12,876,000 to \$16,531,000, due to sharp gains for precious metals (except gold) and electrical apparatus. Increases in vegetables, coffee, tea and vegetable oils raised the agricultural and vegetable group to \$27,116,000 from \$25,633,000. The wood and paper group moved up to \$7,146,000 from \$6,074,000, and the chemicals and miscellaneous groups were slightly higher at \$10,970,000 and \$10,831,000, respectively.

Various offsetting changes occurred in comparison with imports in December. There were significant declines in such commodities as crude petroleum and products, fruits and sugar, while substantial increases occurred in imports of textile products, platinum, and various sub-groups of iron and its products including farm implements and automobile parts.

WOOL PRODUCTION: Wool production in Canada in 1949, not including Newfoundland, amounted to 9,835,000 pounds, 17.5 per cent below the 11,915,000 pounds produced in 1948, and approximately half as much as in the peak production year, 1945.

Exports of wool in 1949, totalling 3,920,000 pounds, were about a 1,000,000 pounds below the 1948 exports, while imports amounted to 70,720,000 pounds as compared with 95,181,000 pounds in 1948.

DEATH OF MAURICE HARTT, K.C.: The member of the House of Commons, who contested the by-election in Montreal-Cartier riding resulting from the conviction on charges of espionage of Fred Rose, died March 15 in Montreal. Maurice Hartt, K.C., was a prominent figure in Quebec politics and in March, 1947, he resigned from the Quebec Provincial Legislature, to run as a Liberal on a strong anti-Communist platform. He was elected then and again in the general election of 1949 by substantial majorities.



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WEEK'S EVENTS IN REVIEW

MR. PEARSON'S REVIEW. If there remains any doubt about the desire of the western powers to find a basis for accommodation between the communist and non-communist world then the necessary effort should be put forth to sweep away such doubt, the Secretary of State for External Affairs, Mr. Pearson, said in his review of external affairs, in the House of Commons, on March 3, as the House, in Committee of Supply, took up consideration of departmental estimates.

Such a move, he said, might require some great new effort on everybody's part; perhaps a new high level meeting; perhaps a full dress conference of the powers principally concerned, on all forms of disarmament; or possibly a meeting of the United Nations Assembly in Moscow. If direct negotiations amongst the great powers would initiate a process of settlement, no one should object to them on the grounds of procedure or prejudice.

The Minister was followed in the debate, on that date, by Mr. Gordon Graydon, (PC-Peel) Mr. Angus MacInnis, (CCF-Vancouver East) Mr. Solon E. Low, Social Credit Leader; Mr. Joseph Bradette, (Lib-Cochrane) and Mr. George Drew, Progressive Conservative Leader.

At the outset, Mr. Pearson touched on the steps being taken by the Department to keep Canadians informed on international developments. He mentioned the Annual Report of his Department, already tabled in the House; the

annual report, "Canada and the United Nations"; and the Department's monthly bulletin, "External Affairs."

If and when circumstances should make it desirable, Canada, he said, would give the same kind of consideration to the matter of a regional pact for the Pacific as had been given to the idea of a North Atlantic pact. But the situation in the Pacific, was not the same as the situation which had made desirable and necessary the signing of the North Atlantic pact. There were practical difficulties in the way of calling a Pacific Conference to draw up a Pacific regional pact at this time.

He stressed the importance of sound economic and social policies in the field of international affairs and in the relationships between the free democratic states. The course to be followed if the post-war dollar assistance programme runs out before the assisted countries recover to a point where they can balance their trade with more fortunate countries, was probably the most important question in the whole field of international economic affairs today.

He dealt with the suggestion for a Commonwealth economic conference, in part, as follows:

"I suggest that the remedy is not through conferences, though they can help very greatly at times. Nor is the remedy, I suggest, through the waving of a magic wand over inconvertibil-

AUTO SHIPMENTS AT HIGH LEVEL. Factory shipments of Canadian-made motor vehicles during January -- usually a month of relatively low deliveries -- were at a higher level than for any month of 1949 except June and September and exceeded last year's monthly average by 18 per cent. They were more than double last year's January shipments.

During the month 28,527 motor vehicles were shipped as compared with 13,863 in January last year and the monthly average of 24,220 for 1949. Top monthly figures last year were 30,894 units for September and 30,096 for June.

Shipments of both passenger models and commercial vehicles were higher in January this year than in December and January last year. Passenger car shipments totalled 20,927 units as against 18,531 in December and 7,174 a year ago, and commercial vehicles, 7,600 units compared with 7,390 and 6,689, respectively.

Shipments for sale in Canada accounted for 26,440 of the month's total as compared with 23,455 in December and 11,586 in January, 1949. Of the month's total for Canadian use, 19,626 were passenger cars and 6,814 commercial vehicles, the former figure being up sharply from 5,797 a year earlier. Vehicles for export numbered 2,087, showing a decline from 2,466 for December and 2,277 for January last year.

INDEX OF PRODUCTION 184.2. During 1949 the monthly average of the Bureau's general index of production, based on 1935-39 equals 100, was 184.2, an advance of 1.5 per cent over the 1948 average of 181.5, states the Canadian Statistical Review. The 1948 figure, in turn, was 3.4 per cent above the mark of 175.5 for 1947.

This index fluctuated rather widely during 1949, reaching 190.4 in June the highest point ever attained under peace-time conditions, and dropping to a low of 178.2 in July when factory closing for holiday purposes resulted in lowered production. From this level the index moved up to 188.5 for September and stood at 186.8 for the closing month of the year.

FARM LAND VALUES UP. Occupied farm land in Canada had an average value of \$40.00 per acre in 1949, up \$1.00 over 1948, and \$16.00 higher than the 1935-39 average of \$24.00. The current rate of increase was the lowest since 1945 and may indicate the approach of a post-war levelling-off in land values in most provinces.

The upward trend in farm land values from pre-war levels reflects, at least in part, the relative changes which have occurred in the price levels of farm products and of the things which farmers buy. The Bureau's index of farm prices of agricultural products for 1949 was

151 per cent above the 1935-39 level, while for the same period the index of farm prices of commodities and services used by farmers, including living costs, had advanced 90 per cent from the 1935-39 base period level.

Increases in farm land values over 1948 levels were recorded in all provinces except Saskatchewan and Quebec the largest increases being those indicated for British Columbia and Ontario. Average land values in Saskatchewan remained unchanged while a decline was registered in Quebec.

Averages for 1949 were as follows, those for 1948 being in brackets: Prince Edward Island, \$52 (\$51); Nova Scotia, \$49 (\$48); New Brunswick, \$45 (\$44); Quebec, \$59 (\$63); Ontario, \$71 (\$68); Manitoba, \$36 (\$34); Saskatchewan, \$24 (\$24); Alberta, \$33 (\$31); British Columbia, \$84 (\$79).

1950 POPULATION 13,728,000. Canada entered the year 1950 with a population of 13,728,000, according to a special estimate by the Bureau of Statistics. This represents an increase of 149,000 in the six months from July 1, 1949, when it stood at an estimated 13,579,000, and 179,000 over the estimate of 13,549,000 for June 1 last year, which coincides with the decennial Census date.

The quarterly estimates begun by the Bureau during the second half of 1949 to provide more closely up-to-date information on population growth, indicates increases of 87,000 for the summer months of June to August, and 71,000 for the September-November period, bringing the population to an estimated 13,707,000 at December 1, 1949. The figure for January 1 shows an estimated growth of 21,000 during December.

There are no comparable first-of-the-year figures available for earlier years. Census figures for 1901, however, show Canada's population at the start of the 20th century at 5,371,000. The population of Newfoundland in that year stood at 221,000, making the total of 5,592,000 for Canada's present area.

DECREASE IN CASH BUYING. The proportion of cash business transacted by establishments in 16 major retail fields during the third quarter of 1949 decreased to 63.6 per cent from 65.2 per cent in the corresponding period of 1948. This decline was absorbed by a substantial gain in the proportion of instalment sales and a lesser increase in charge sales.

All trades except women's clothing transacted a smaller proportion of their business on a cash basis than in the third quarter of 1948. Eight of the 10 trades selling on the instalment plan increased the proportion of instalment sales and nine of the 16 trades sold a greater proportion on charge account than in 1948.

AIR FORCE ROLE IN SECURITY

MR. CLAXTON'S ADDRESS: The following is the partial text of the speech prepared by the Minister of National Defence, Mr. Claxton, for delivery at the Past Presidents' Night of the R.C.A.F. Association, Toronto, March 3. In the absence of Mr. Claxton, due to illness, the address was read by Air Commodore V.E. Kennedy, AFC, Deputy Air Member for Technical services:

"....The attitude of the Soviet Union has made it plain that, while war is not inevitable, neither is peace, and that the only present source of safety is to combine with other nations so as to show the Communists that they cannot win.

"To play our part we are seeking from Parliament this year an appropriation of \$425 millions. Just how big a proportion of our national budget this is may be realized when I point out that if you exclude debt charges, social security and pension payments and other like sums which cannot be altered by any government, there is left to carry on all the operations of the federal Government a total of about \$620 millions, apart from the \$425 millions for defence . . .

"The fact that we have gone a great deal further in unification and co-ordination and the development of post-war organization, officer training and the like than any country, reflects the utmost credit on the way in which all have worked loyally together as a team....

"We must use the money appropriated for defence by Parliament in the best way to meet an immediate threat or develop our full potential. That is what defence planning has to do, always working towards the goal of becoming more and more operational. That is what we are doing....

"We are placing great emphasis on the Air Force but not to the point where the proper roles of the Navy and Army are ignored. Air Force equipment is immensely expensive and we are spending very much more on the Air Force than on the other two services - it may surprise you to learn, a far greater proportion than is being spent in other countries.

SHARP RISE IN AUTO SALES: Sales of new motor vehicles in January this year soared to an unusually high level for that month as most manufacturers introduced new models in large volume. Large increases in sales occurred in all parts of the country, with passenger cars accounting for a major part of the gain. There was also a marked increase in the financing of sales of new and used vehicles during the month.

New vehicle sales numbered 26,593 units with a retail value of \$53,714,978, an increase of 131 per cent in number and 118 per cent in value over January 1949 when there was a curtailment of distribution of passenger

"In the current year there is being spent on the Air Force in the United Kingdom 29%, France 30%, United States 34%, but in Canada 42.6%. This proportion will be further increased to 44.8% for 1950-51.

"One reason for this is the size and geographical position of Canada. We have 3½ million square miles occupied by 13½ million people.

"That a war can be won by air power alone is not the view of any reputable expert; but no expert believes that a war can be won without air supremacy. Air Power serves security!

"This was certainly one of the lessons of Exercise "Sweet Briar".

"While it will be some time before the detailed reports are considered, it now may be stated that the results of the Exercise confirmed the concepts of Arctic warfare held in both countries. Military operations in the Far North can only be successful if keyed in to one of the existing systems of transportation - airways, the highway or water. The distances a potential aggressor would have to go from any base favour the defence but only if the defence can stop any hopping operation such as from airfield to airfield, and this we know requires specially trained personnel of high morale and top physical condition with first-class equipment and air supremacy....

"As far as we can see ahead, if there is a likelihood of attack on Canada, it would probably be from the air. Consequently the Air Force is an important element in the defence of our own territory, which is the primary task of any defence force. The defence of our own territory is inseparably linked with the defence against the aggressor wherever that defence can best take place. There is no conflict between the concept of defence at home and defence abroad - only it is better to defend Canada as far away as possible.

"Similarly, there is no conflict between the concept of a force in being and the means necessary to develop our full potential as quickly as possible. This is a question of emphasis - of planning and timing...."

cars by most manufacturers resulting in sales of only 11,492 new vehicles with a retail value of \$24,677,689.

New and used vehicles financed in January this year numbered 14,785 with a financed value of \$14,326,070, an increase of 59 per cent in number of vehicles and 54 per cent in amount of financing over January 1949 when 9,292 new and used vehicles were financed to the extent of \$9,278,742.

New passenger car sales rose sharply in January to 20,809 units from 6,216, and the value advanced to \$41,752,682 from \$13,158,649. Truck sales increased more moderately to 5,749 units valued at \$11,243,338.

(Continued from P.1)

ity converting it into convertibility. The remedy, which is easier to prescribe than to take, is through the acceptance, not merely by Canada, but by all free democratic countries, of sound financial and trading policy, by sterling countries avoiding the creation of high-cost restrictive and discriminatory areas, and by dollar countries on the other hand adopting policies which will permit the sterling debtor countries to export more goods and services, thereby making it possible for these countries to balance their international trade by their own efforts and at a high level.

"We think that Canadian policies have been designed in the international economic field to that end, and are becoming increasingly effective for that purpose. Our imports, for instance, were 92 per cent of our exports in 1949, an increase of six per cent over 1948. The imports of the United States of America for eleven months of 1949 were 55 per cent of exports, a decrease of six per cent as compared with 1948...."

In the free and democratic countries of Europe, he said, there has been a continuing revival of confidence and stability, due, in large measure, he thought, to the reassurance which the North Atlantic Treaty had brought. For a full return to strength, however, there was one essential condition: there must be a sense of security. He proceeded:

COMMUNIST PROPAGANDA

"Of course it is in the interests of the Kremlin to prevent those conditions from being fulfilled. Communist propaganda in those countries seeks to turn away men's thoughts from constructive activities and to create and maintain an atmosphere of fear and pessimism. Through exploiting the fear of war, the Communists, under orders from Moscow, then launch 'peace offensives' designed to weaken those essential defensive measures which their own aggressive policies make necessary--the same kind of peace offensive which is now being carried on in this country by the same kind of leadership, and for the same purpose. In the European continent, whose inhabitants have vividly in their memories the full horrors of war, it is not hard to find soil in which to plant these propaganda seeds but they fortunately have been prevented from growing in recent months through the growth of confidence in the countries concerned. We can, I think, be reasonably sure that these sinister plans will not have any success in our own country, even though they may deceive and confuse some sincere and well-intentioned people.

"Communist plans in Europe have also to some extent been frustrated by their own crude and violent tactics. The workers, even the communist workers, are getting tired of being forced into political strikes and sabotage by a little group of Moscow-appointed leaders who always put the directive of the Kremlin before the interests of their own country and

of the working class. While the Communists are still strong in some of these western European countries, I think their game is becoming more and more apparent to the people. There are indications of this tendency in the defeat of the Communists in the elections in Finland, and in the complete elimination of the communist candidates in the recent election in the United Kingdom...."

He added later:

"This communist policy of isolation and expulsion is revealing. It throws a sombre light on the fear which haunts the rulers of the Soviet Union that the countries which they have drawn or forced into their orbit, realizing that their national interests are being sacrificed to Moscow, may react as Yugoslavia has already reacted. Hence the repeated purges of the personnel of these Governments. Hence the series of monstrous trials and forced confessions and savage sentences in Budapest, Sofia, Bucharest, Warsaw and Prague. Hence the accusations of espionage and plotting against western diplomatic missions and individual western nationals in these countries. One must feel the deepest sympathy for the peoples of Soviet satellite countries whose Governments are being compelled by Moscow to carry out policies so plainly contrary to their national interests. But I suggest the lesson of these events is not going unnoticed on this side of the iron curtain, where many waverers in many countries will hesitate before committing themselves to Communism when they have such abundant evidence that it is being used as a facade for the new Russian Imperialism.

UNITED NATIONS A STRENGTH

"In combating these dangers one of our greatest sources of strength remains the United Nations, where they can be publicly exposed, and the North Atlantic Treaty, under which we can defend ourselves collectively against the aggression which might result from them. This Treaty, I am glad to say--and the Minister of National Defence may and probably will have more to say about this matter when his estimates are introduced--is now a going concern, though very much remains to be done...."

"The world situation has been changed, not only by the developments which I have attempted to sketch briefly, but also by the realization that the perils of the atomic age will increase through the manufacture of atomic weapons of ever-increasing destructiveness, culminating, if it is culmination, in the so-called H bomb. On this question--and reference has already been made to it in the House during the present session--I suggest that our policy as to atomic weapons should be twofold. On the one hand, we of the free world must continue to strive by every means possible--and I hope to elaborate on this somewhat in a moment--for that kind of international agreement for the effective control of atomic energy that will give us some real chance of security against

the horrible possibility of atomic warfare. On the other hand, so long as the danger of such warfare remains, we together with friendly states with whom we can co-operate, must do our best to see that we do not lag behind in the development of knowledge and skill in the field of atomic energy. It is important also to convince, if that is possible, those with whom we find it difficult to co-operate that atomic weapons will never be used by us for any aggressive purpose....

"When a man finds himself struggling against a blizzard, a moment comes when because of fatigue and despair he longs to lie down, relax and die. There are times, Mr. Chairman, when we must all feel as though, in the international field, we were pushing through a bitter and blinding blizzard. But it would be fatal to yield to the temptation merely to sit it out, just as it would be fatal to yield to the temptation to panic and frantically rush in new directions without any knowledge of where they may lead. So far as Canada is concerned--and I am sure we all agree on this--I know there will never be any lack of willingness to search for a solution to this and the other problems which divide us from the communist world.

PROBLEMS NOT INSOLUBLE

"None of these problems is insoluble. Atomic energy need not destroy us; it can open for us a great age of human progress. Nor is there anything insuperable in the questions which have arisen about the future of Germany and Japan. Between the communist and non-communist worlds some *modus vivendi*, some agreement to live and let live, can be worked out. But this can never happen except through a process of genuine and mutual compromise and accommodation. If there remains any doubt about the desire of the western powers to find a basis for such compromise and accommodation then of course we must try to sweep away that doubt. This may require a great new effort on everybody's part--possibly some new high level meeting, possibly a full dress conference of the powers principally concerned, the fifteen, sixteen or seventeen powers if you like, on all forms of disarmament, including atomic disarmament; or it may require something else. It might suggest a meeting of the United Nations Assembly in Moscow, an invitation to which may not be too easy to obtain. If, for example, direct negotiations amongst the great powers would initiate a process of settlement, no one should object to them on the grounds of procedure or prejudice....

"It is essential however that any new move designed to insure peace by removing international differences must be taken only after the most careful preparation. At the same time the free peoples must make it equally clear, as they can do, that they are not for a moment prepared, because of anguish over the present situation, of fear or insecurity, to make any

unrequited sacrifice, through which they would weaken their position in return for nothing. There is no use in giving way to unreasoning panic. We are stronger now than we were. But however strong we might become, it would be folly to base one's policy on strength alone. As has been said, the first obligation of diplomacy is to avoid a situation where power alone talks. We can and should, therefore, reaffirm our desire to seek again, through negotiation, a settlement of the divisions which now beset the world.

"Even in the best circumstances, however, a settlement of the problems which divide the communist world from the free world will not be easily reached. Some new interventions, such as those suggested by the member for Rosetown-Biggar (Mr. Coldwell), in his interesting analysis of the present crisis, might be a useful beginning for such a process. Certainly this Government would give every support to any new beginning which gave any promise of success. Let us not forget, however, in our determination or desire, our anguish to do something, that the road ahead will in any case be long and difficult. We shall have to walk it with patience and with caution, with persistence and with realism. If a new approach, for instance, did not get us anywhere--there is always that possibility--we must not even then give way to the inevitable reaction of despair which would follow...."

ATOMIC ENERGY CONTROL

Concluding with a reference to efforts at atomic energy control, Mr. Pearson said, in part:

"During the past three or four months, while the United States has been going through the throes of its most difficult and fateful decision as to whether or not to push ahead with the development of the hydrogen bomb, because of the absence of agreement on the international control of atomic energy, the Russians have quietly and energetically been cultivating the impression, with some success, that they had already made new proposals for such agreement which we had turned down. Inferences are drawn from vague and speculative press reports that have passed the Moscow censors, as well as from some of Mr. Vishinsky's remarks on atomic energy in the last United Nations Assembly, hinting that they have offered concessions which we are ignoring. Nothing could be more misleading or further from the truth. Nothing could be more dangerous than that this impression should spread.

"Until last September our public were not particularly well informed as to what the Soviet position on atomic control actually was. Last autumn, therefore, when Mr. Vishinsky offered the Assembly, as if it were something new, what he called strict inspection and effective control as an integral part of an atomic energy agreement, many people naturally

thought that concessions were being made, and that at last the deadlock was being broken. Perhaps Mr. Vishinsky's intention was to concede and not to confuse, but some of his statements at that time seemed more like double talk, and in some cases were even mutually contradictory. In the course of the recent debate at Lake Success, he said everything about everything. If one makes a close and careful analysis of his statements as I have, it reveals nothing that could not be interpreted as being wholly consistent with the Soviet proposals of June, 1947, which did not provide anything approaching adequate international inspection and control.

"If Mr. Vishinsky meant us to read something new and different into his words, I hope he will make that clear to us at the first opportunity. It is of the greatest importance that we should know. At the moment we certainly cannot find out at Lake Success. Hon. members will recall that the Assembly last autumn directed the six permanent members of the Atomic Energy Commission, among other things, to discover what the new--if they were new--Soviet proposals on atomic energy control meant. But the Soviet representative walked out of the meeting without clarifying his own position in any respect. When these talks are resumed, as I hope they will be, maybe we shall be able to get that clarification, which must be insisted on because it is vital to the whole question...."

LIVING COSTS UP .6 P.C.: The Bureau of Statistics cost-of-living index increased from 161.0 to 161.6 between January 3 and February 1. This increase of 0.6 points followed an unbroken series of small declines totalling 1.8 points and dating from the August 1949 peak of 162.8. From August 1939 to February 1950, the increase in the cost-of-living index was 60.3 per cent.

The foods index advanced 1.9 points to 201.3 during January, and again largely determined the change in the total index. Increases in beef and lamb prices over-balanced decreases in pork, while increases were registered for eggs, oranges, coffee and sugar. Clothing declined fractionally from 183.3 to 183.0, reflecting slightly lower prices for men's and women's wear. Homefurnishings and services decreased 0.6 points to 166.4, mainly as a result of lower quotations for dishes and soap.

RECORD TOURIST EXPENDITURES: Expenditures of visitors from other countries in Canada and of Canadians travelling abroad set new records in 1949, according to the first estimate by the Bureau of Statistics. The increase in expenditures by Canadians over 1948 exceeded those of visitors to Canada, however, resulting in a substantial decrease in the credit balance of payments on travel account.

Travellers from other countries spent \$288,000,000 in Canada in 1949, an increase of \$8,000,000 or three per cent over the 1948 total of \$280,000,000. At the same time Canadians spent \$191,000,000 in travel in other countries -- largely in the United States -- as compared with \$134,000,000 in 1948. As a result, the net receipts in 1949 fell to \$97,000,000, showing a decrease of 34 per cent from the record \$146,000,000 the previous year, but being still higher than in any other year.

In travel between Canada and the United States, total receipts were at a new high of \$270,000,000, a gain of one per cent over the previous peak of \$267,000,000 in 1948. Expenditures of Canadians in the United States during the year aggregated \$164,000,000, up sharply from the 1948 total of \$113,000,000, and two and a half times as large as the average for the past 20 years. Canada's credit balance with the United States on travel account was thus \$106,000,000 last year as against \$154,000,000 in 1948.

Expenditures in Canada by travellers from overseas countries in 1949 rose to an estimated total of \$18,000,000 from \$13,000,000 in the previous year in spite of currency restrictions imposed by many countries. Canadian travel expenditures in overseas countries -- including cost of passage paid to non-Canadian carriers -- totalled \$27,000,000 compared with \$21,000,000. The result was a net debit in overseas travel of \$9,000,000 compared to \$8,000,000 the previous year.

\$800 FELLOWSHIP AT WESTERN U: The University of Western Ontario said this week that applications for an \$800 fellowship, to be awarded for military study at the University in history, geography or economics, must reach the Registrar by April 1. The award will be announced May 1.

The fellowship has been established "in memory of the former officers, NCOs and cadets of the University Contingent of the Canadian Officers' Training Corps who died in the service of the British Commonwealth and its Allies during the World War 1939-1945".

Consideration, according to information released by the University, will be given only to applications made by graduates living in Canada and qualified to proceed to a master's degree.

WHEAT AGREEMENT: The Honourable Charles F. Brannon, Secretary of Agriculture of the United States, met on March 3 with the Minister of Trade and Commerce, Mr. Howe, and the Minister of Agriculture, Mr. Gardiner, and discussed throughout the day a number of mutual problems.

There was a frank exchange of views on a number of common agricultural, trade and other problems and the usual cordial and friendly relations prevailed throughout.

The principal item of discussion involved some of the problems arising from the anticipated accession of Germany and Japan to the International Wheat Agreement. Agreement was reached on a recommendation to be presented at the meeting of the International Wheat Council on March 13, 1950.

"It has been a most pleasant visit," said Mr. Brannan in a press statement. "My colleagues and I have had a very profitable discussion with Cabinet Ministers and officials of the Canadian Government regarding our mutual agricultural programmes. We do a lot of farming on both sides of the border and we do a lot of trading back and forth with each other. We both have problems, and we both believe that frequent discussions on neighborhood problems are good for the neighborhood. So I came up for a visit...."

8,000 ARMY CADETS: For some 8,000 teen-aged Royal Canadian Army Cadets, summer can't come too soon.

Approximately that many have indicated they will attend one of the many camps being run for them by the Army this summer.

The majority, or 5,000 of them, will attend routine 10-day training camps conducted within their own military Commands.

But some 2,913 more serious minded youths, set upon learning a useful trade, go under canvas at special trades training camps for six weeks during July and August. Figures compiled by Army Headquarters show that 1,378 will be trained as driver-mechanics; 935 as driver-operators on almost every type of military vehicle; 394 as operators of radar-controlled equipment used to direct the fire of anti-aircraft weapons; and 183 as medical assistants with a thorough knowledge of male nursing, operating room procedure and the care and issue of medicines in military hospitals.

Cadets who successfully complete a six-week trades course automatically earn themselves a \$60 cash bonus.

DEPARTMENT STORE SALES DOWN: Department store sales decreased seven per cent during the week ending February 25 as compared with the corresponding week last year, according to preliminary figures. All provinces participated in the decline except Alberta where sales remained unchanged. In Saskatchewan, sales fell 18 per cent, Ontario 10 per cent, Manitoba eight per cent, the Maritime Provinces six per cent, British Columbia three per cent, and Quebec two per cent.

SILICOSIS CONTROL: An extension of chest x-ray services for industrial workers exposed to silica dust is to be financed from Ontario's share in the federal health grants, the Minister of National Health and Welfare, has announced.

AVRO CF-100 DEMONSTRATION: A demonstration flight of Canada's new all-weather, long-range jet fighter, the Avro CF-100, is to be held at Rockcliffe air station, Ottawa, on Saturday, March 11.

Attending the demonstration are the Governor General, accompanied by His Royal Highness the Prince of the Netherlands (Prince Bernhard). Also invited are Prime Minister St. Laurent and members of the cabinet, members of the House of Commons and the Senate, senior government and armed forces officers, members of the diplomatic corps, and officials of Canadian aviation firms.

The new fighter is still undergoing flight tests, and no attempt is planned to display its maximum performance, as regards speed, manoeuvrability and rate of climb. The flight, however, provides an opportunity for senior government and military officials, and the Press, to see the sleek new jet fighter, which made its first test flight at Malton, Ontario, January 19.

The CF-100 is to be flown by test pilot W.A. Waterton, a wartime RAF squadron leader who comes from Camrose, Alberta, and who has been handling the aircraft's flight-testing programme for A.V. Roe Canada Ltd. While it is Prince Bernhard's first glimpse of the new Canadian fighter, its test pilot is no stranger to His Royal Highness, having flown the Prince in a Meteor jet plane in the United Kingdom in 1948.

The CF-100 has been designed to meet specifications laid down by the RCAF, which considers a long-range, all-weather jet fighter necessary to Canadian air-defence requirements. The aircraft will complement the F-86 single-engine jet fighter, which is being built for the RCAF by Canadair Ltd. of Montreal. The two aircraft will have separate tasks. Whereas the F-86 is a high-performance single-seater day interceptor, the CF-100 has been developed for all-weather operation under day or night conditions.

INDUSTRIAL EMPLOYMENT DOWN: Employment in the major industrial divisions was at a lower level at January 1, the decline being in accordance with the movement invariably indicated at that date in the years since 1920. The preliminary index, on the base 1926=100, stood at 194.2 as compared with 201.8 at December 1. This reduction of 3.8 per cent exceeded that indicated at January 1, 1949, when the index number at 196.0 -- a maximum for the time of year -- was 0.9 per cent above the latest figure.

Salaries and wages were lower by 6.9 per cent in the holiday week of January 1 than in the week of December 1. As compared with January 1, 1949, however, there was a gain of 2.3 per cent. The advance figure of average weekly earnings was \$42.38 as compared with the all-time high of \$43.81 a month earlier, and \$41.10 a year ago.

GEN. H. KENNEDY APPOINTED BY U.N. Secretary-General Trygve Lie has announced the appointment of Major-General Howard Kennedy, a Canadian, as Director of the United Nations Relief and Works Agency for Palestine refugees in the Near East, according to a U.N. press report.

This appointment was made in accordance with the General Assembly resolution of December 8, 1949, after consultations between the Secretary-General and the Governments represented on the Advisory Commission -- France, Turkey, the United Kingdom and the United States. The Director of the Agency will hold a meeting with the Commission on April 17 in Geneva to discuss his programme and will proceed to Beirut at the end of April.

The United Nations Relief and Works Agency for Palestine refugees in the Near East was created by the General Assembly resolution of December 8, 1949, to "carry out in collaboration with local governments the direct relief and works programmes as recommended by the economic survey mission" (Clapp mission) and to "consult with the interested Near Eastern governments concerning measures to be taken by them preparatory to the time when international assistance for relief and works projects is no longer available." The Director, as Chief Executive Officer of the Agency, is responsible to the General Assembly for the operation of his programme.

Major-General Howard Kennedy, 57, is a graduate in civil engineering, McGill University. He has had extensive experience in industrial construction operations. After working with a Montreal engineering firm and a few years in business for himself as a contractor building roads and bridges, he served as an executive of a large pulp and paper company and was subsequently Manager of the Quebec Forest Industrial Association.

He served overseas during World War I, was wounded and awarded the military cross. In 1939 he went overseas with the first Canadian Division Engineers. He later became Quartermaster-General in charge of engineering, services and development, supplies and accommodation, transport and communications and liaison with other branches.

CANADA ON AGENDA COMMITTEE. The Economic and Social Council of the United Nations on March 1 elected Canada and Poland as the two new members of its Agenda Committee, which consists of the Council President, its two Vice-Presidents and the two elected members, Czechoslovakia was elected as an alternate for Poland.

Sir A. Ramaswami Mudaliar (India) nominated Canada and Poland and Czechoslovakia as alternate to Poland. Canada was elected by 12 votes in favour to none against, with 1 abstention. Poland was elected by 11 votes in favour to 1 against (Chile), with 1 abstention.

Czechoslovakia was elected as an alternate member for Poland by 11 votes in favour to 1 against (Chile), with 1 abstention.

GOVERNMENT PRECAUTION AGAINST SPIES. In an address made over the CBC on March 7 the Secretary of State for External Affairs, Mr. Pearson, answered the charge made that there were communists in key positions in the government service by saying, in part:

"We all know about the cold war... In waging that war, international communism, which is the tool and agent of Soviet imperialism, uses its secret supporters to undermine free institutions or to ferret out military secrets in the free countries. And there are, unfortunately, some of these people in every free country. The only effective way of finding and exposing them is by careful, conscientious and responsible security investigation, followed by determined and vigorous legal action whenever action is warranted...."

"There is every reason for vigilance but no reason for scare-mongering about communist influence in the Government in Canada. It is ridiculous to state that there is now such influence. The most vigorous and effective action taken by any democratic government against Communist agents was that carried out in Canada in 1945. The present Prime Minister was at that time Minister of Justice, and he was responsible for the action then taken. It was not easy and it was not popular, but it was necessary, and it destroyed a network of communist spying. The government which took this forthright action has not gone to sleep on the job, and it is absurd to pretend that we would tolerate communists in positions of trust. But we are equally vigilant to safeguard this country against the dangers of a feverish witch-hunt."

PRINCE BERNHARD'S VISIT. The programme scheduled for the visit to Ottawa, March 10 to 12, of His Royal Highness The Prince of The Netherlands includes on March 10 an informal luncheon at Government House, laying a wreath at the National War Memorial, a reception by H.R.H. The Prince of The Netherlands at the Chateau Laurier Hotel, a dinner by Their Excellencies the Governor General and the Viscountess Alexander of Tunis at Government House. On March 11 there will be an air display of the R.C.A.F. jet fighter CF-100; the investiture of Rt. Hon. W.L. Mackenzie King, P.C., O.M. with Grand Cross of The Netherlands Lion; a reception by The Netherlands Ambassador; and a dinner by the Prime Minister on behalf of the Government of Canada. On March 12 Prince Bernhard will visit the Chief of the General Staff, Lt.-General Charles Foulkes, C.B., C.B.E. and General H.D.G. Crerar, C.H., C.B.; and will entertain at a dinner.

DEBATE ON EXTERNAL AFFAIRS CONTINUED

RECOGNITION OF COMMUNIST CHINA: After the review by the Secretary of State for External Affairs, Mr. Pearson, the debate was continued by the members mentioned on page 1. On March 7 Mr. Pearson spoke again, and referred in part, as follows to the subject of recognition of the communist government in China:

"One reason for delay (in recognition)--and it is only one reason, of course--is to give to hon. members a chance to state in this House their point of view on this question. Indeed, the request was made to the government by hon. members opposite that they should be given an opportunity to express their point of view on this matter before we came to a decision....

"In considering this matter we must distinguish between recognition of a new state and recognition of a new government. The two things are quite different. Under recognition of a new government we must distinguish between *de facto* recognition and *de jure* recognition, between implied recognition and express recognition. We must distinguish between recognition of a government whose authority has been challenged and is still under challenge, and recognition of a government whose authority is no longer being challenged by any alternative form of government. Then finally we must distinguish between recognition on the one hand and diplomatic representation on the other--this is quite a different matter, although the two things were certainly confused, I thought the other night.

CONDITIONS OF RECOGNITION

"In connection with China we are dealing at this time only with recognition of a new government, not recognition of a new state. In deciding whether recognition should or should not be given to a new government certain criteria--certain conditions, if you like--have been laid down by authorities on international law, such as Oppenheimer, Brierly, Jessup, Lauterpacht and others. But these conditions, of course, have never been, and were never meant to be, applied rigidly and without exception. I mentioned some of these criteria in my statement last December when I was talking about this Chinese question. I said then that if the particular conditions which I mentioned were fulfilled in China to our satisfaction, and I quote from my words, we 'would have to face the facts which confront us.'

"The four conditions--I think three of them were mentioned last Friday night by the leader of the opposition, but there are at least four. are as follows One is the effectiveness of the authority of the government concerned. The second is the independence of the government concerned--something that is not always

easy to determine, especially in the case of countries like Tibet, Viet Nam and China. The third is the ability and the willingness of the government concerned to carry out its international obligations. That condition, of course, cannot always be applied too rigorously and too exactly. If it were always applied in that way we might today be recognizing the government of Mr. Kerensky in Moscow. Finally there is the question of acceptability of the new government by the people over whom it exercises authority."

PACIFIC PACT

In discussing the question of a Pacific pact he said one consideration would be "whether it would be possible to invite Russia and China to a conference which would be discussing a regional pact in the Pacific. Of course I am not quite so naive as to suggest that if an invitation of that kind were sent, and if it had the conditions which normally attach to such invitations, the Russians would accept it. I am not even sure whether it would be of any use to send them such an invitation. My argument against a Pacific pact at this time, which is not mentioned in this statement, was that in my opinion it would be futile and unwise to proceed with a conference to negotiate a Pacific security and mutual guarantee pact at a time when the United States, the United Kingdom and India have indicated that they would not be able to participate in any such conference. Surely that serious argument is enough to explain why we have not accepted certain advice which has been given us in this House to push ahead with a Pacific pact at this time."

Mr. Pearson continued:

"Finally the leader of the opposition made a strong and eloquent appeal against anything which might be interpreted as appeasement of communist aggression. I agree with him, though appeasement is one of those very difficult and dangerous words which can be interpreted in many ways. If by appeasement we mean prejudicing our own security or the security of the democratic world by making extorted and unnecessary concessions to a possible aggressor in the hope that it might keep him quiet; or if we mean assisting, encouraging and strengthening those whom we thought had aggressive designs, then of course I am sure everyone in this House is against appeasement....

"I suggest there is no contradiction between the two statements. In this connection I referred to the necessity of genuine compromise and accommodation; and I made it abundantly clear, I hope, that the Canadian government was fully aware of the danger of appeasement of the kind I have just indicated, but at the same time was conscious of a duty to keep

searching for some way out of the present impasse...."

Mr. George Drew, Progressive Conservative Leader; Mr. M.J. Coldwell, C.C.F. Leader; Mr. J.H. Blackmore (S.C.-Lethbridge) and others continued the debate, which was adjourned that evening.

OUTPUT OF LEADING MINERALS: Production of 10 of Canada's 16 leading minerals was increased in November over the corresponding month of 1948, while in the first 11 months of the year, output was higher for 11 of the 16 items, according to the Bureau of Statistics.

November production was as follows, totals for the same month of 1948 being in brackets: asbestos, 77,354 (67,426) tons; cement, 1,382,718 (1,311,432) barrels; clay products, \$1,518,478 (\$1,744,840); coal, 2,087,874 (1,892,580) tons; copper, 44,086,495 (40,467,115) pounds; gold, 361,311 (311,399) fine ounces; gypsum, 248,585 (292,209) tons; iron ore, 345,088 (150,806) tons.

Lead output in the month amounted to 26,984,945 pounds compared with 32,061,284 a year earlier; lime, 91,967 tons (97,057 tons in 1948); natural gas, 5,071,338 (5,491,314) M cubic feet; nickel, 19,326,560 (25,510,182) pounds; petroleum, 1,915,028 (1,264,533) barrels; salt, 70,123 (69,577) tons; silver, 1,501,781 (1,235,792) fine ounces; zinc, 49,869,401 (41,915,918) pounds.

OUTPUT OF IRON AND STEEL IN 1948: Gross factory value of products turned out by Canadian manufacturers of iron and steel and their products rose sharply to \$2,253,777,000 in 1948 from \$1,854,916,000 in 1947, according to final summary figures released by the Bureau of Statistics. The rise of 21.5 per cent in 1948 over 1947 follows upon a rise of 32 per cent in 1947 from an aggregate value of \$1,405,543,000 in 1946.

All the main industries in this classification showed increases in gross output value in 1948 over the previous year with the exception of shipbuilding, the largest gains being shown for the group of pig iron, ferro-alloys, steel and rolled products, and for farm implements, automobiles, and railway rolling stock. Gross output value for the first-named group rose to \$282,167,150 from \$216,276,000 in 1947; for farm implements, to \$146,956,300 from \$89,423,500; for automobiles, to \$398,057,000 from \$340,918,200; and for railway rolling stock, to \$237,382,900 from \$159,283,100.

Output for other leading industries: sheet metal products, \$152,561,000 against \$129,495,000 in 1947; iron castings, \$123,739,000 (\$102,516,000 in 1947); machinery, \$232,606,000 (\$200,895,000); automobile parts, \$140,068,400 (\$131,535,000); bridge and structural steel, \$66,229,600 (\$52,559,300); hardware, cutlery and tools, \$87,665,700 (\$79,536,800); wire and wire goods, \$63,947,700 (\$54,563,600).



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WEEK'S EVENTS IN REVIEW

MR. PEARSON ON THE FAR EAST: The Secretary of State for External Affairs, Mr. Pearson, spoke in the House of Commons on February 22 on the Commonwealth Conference in Ceylon, (which he attended with the Minister of Fisheries, Mr. Mayhew) and on the situation in the Far East.

The agenda at Ceylon was short, and the subjects set down for consideration very broad, he said. The agenda included the following questions: the general international situation the Chinese situation, the Japanese peace treaty, the situation in southeast Asia, and the situation in Europe, more particularly the development towards European political and economic union, and the effect of such development on the Commonwealth of Nations. Nothing spectacular developed from these discussions, he said, nor was anything spectacular intended. They resulted in recommendations to Governments for the consideration of those Governments.

He proceeded, in part: "Though we all had our own point of view, a discussion of this kind helps to correct the inevitable distortions in our thinking which may arise, in the case of Canada, for instance, because we have traditionally looked on the world from the North Atlantic, North American viewpoint of a people whose civilization for the most part comes from that of western European Christendom.

"The fact that the discussions were held at Ceylon was particularly valuable at this time, because, as I see it, the centre of gravity in international affairs has, to some extent, at least, moved to Asia. What I mean by that is simply this: In my view the advance of Russian communist imperialism has been stopped in Europe, at least for the time being. It has not been stopped in Asia, where it is now trying desperately to win power over those millions of people, by allying itself with forces of national liberation and social reform...."

He added a moment later: "At the present time the countries of south and southeast Asia are making impressive efforts toward the establishment of strong modern nation states, and we of the western world should do what we can to encourage and to assist these efforts. This surge of nationalism in Asia has resulted in political independence for twelve--and if you include the three states of Indo-China--for fifteen Asian states in less than twenty-five years. The political danger from this is that, exploiting this movement, communist expansionism may now spill over into southeast Asia as well as into the Middle East. In my opinion there is no more important question before the world today than this possibility...."

Mr. Pearson said that the Colombo Conference agreed that the forces of totalitarian

CANADA, U.S., NETHERLANDS NAVAL EXERCISE

ANTI-SUBMARINE AND AIR DEFENCE: United States Atlantic Fleet ships and aircraft will combine with units of the British, Canadian and Netherlands fleets for anti-submarine and air defence exercises in the Caribbean about the middle of March, it was announced simultaneously in Ottawa and Washington on February 22.

The combined British, Canadian and United States manoeuvres, designated Caribex, will extend through the Antilles as far north as Charleston, South Carolina.

Combined Netherlands - United States exercises, which are not a part of Caribex, will be held concurrently in the Guantanamo Bay, Cuba, operating area.

In the first phase of Caribex, the first striking force, composed of the carriers USS Philippine Sea, USS Leyte and USS Wright, with three cruisers and 16 destroyers, will make a passage from a point west of Martinique to a point south of Guantanamo Bay.

This force, supported by the hunter-killer force and the air reconnaissance force, will be opposed by 11 United States Navy submarines and the second striking force, composed of the Canadian light fleet carrier HMCS Magnificent, the Canadian destroyer HMCS Micmac, the British cruiser HMS Glasgow, and the two British sloops HMS Snipe and HMS Sparrow.

The hunter-killer force will include two United States escort carriers, USS Palau and USS Mindoro, 15 destroyer types and two land-based aircraft squadrons. The air reconnais-

sance force will be made up of 10 patrol bomber squadrons supported by two seaplane tenders.

In the latter part of the first phase of Caribex, the United States carrier striking force will join the British-Canadian striking force in making a simulated air strike against the naval operating base, Guantanamo Bay. Following the air strikes, the two forces will join the hunter-killer force for anti-aircraft gunnery practice.

Before beginning the second phase of Caribex, the ships will fuel at sea and simulate replenishing stores and ammunition at sea.

The large carrier USS Franklin D. Roosevelt and eight destroyer types, which will have completed separate operations with the Netherlands forces in the Guantanamo Bay area, will rejoin Caribex for the second phase of the exercise. The Netherlands forces, consisting of the light fleet carrier H.N.M.S. Karel Doorman, the anti-aircraft cruiser H.N.M.S. Jacob Van Heemskerck and the sloop H.N.M.S. John Maurits Van Nassau, will continue on their spring training cruise.

During the second phase of Caribex, the striking forces and the fuelling and replenishing ships will attempt a passage from the Antilles to a point just off Charleston, South Carolina, while under air attack by the patrol bombers and opposed by the 11 submarines.

The United States striking force and the British-Canadian striking force will also conduct air strikes against each other.

BOOKLET ON NEWFOUNDLAND: A booklet on Newfoundland, entitled "Newfoundland - Canada's New Province", will be published in March, 1950, under the authority of the Minister of Trade and Commerce.

The text of the booklet was prepared in the Department of External Affairs, a chapter on physical geography and several maps were contributed by the Geographical Bureau (now the Geographical Branch of the Department of Mines and Technical Surveys), and statistics were supplied by the Bureau of Statistics, which also undertook, in collaboration with the Department of External Affairs, the task of editing and preparing the booklet for publication.

In format the book is similar to "Canada 1949", with page-size $5\frac{1}{2} \times 8\frac{1}{2}$ inches. About one quarter of the space is taken up with pictures, including three pages of colour scenes of Newfoundland. There are six maps of the Island - location, relief, geological, dot population, road and fisheries - in addition to a colour map of Canada. An Appendix lists source material on Newfoundland, including Labrador.

DISCUSS WINDSOR AIRPORT: The proposal for an airport at Windsor, Ontario, to serve the metropolitan area of Detroit and Windsor, was discussed on February 22 in Ottawa at an informal meeting of Canadian and United States officials. This meeting was suggested by the United States Government and was purely exploratory in nature.

It was agreed that the proposal warranted further consideration but that additional detailed studies were necessary before decisions could be reached. Joint studies will be made immediately of the problems involved, including the organization, finance, location and administration of the proposed airport.

It is expected that further informal meetings will take place to consider the results of these studies.

Representatives from the United States included: Mr. Martin L. Leacock, Assistant Attorney General, State of Michigan; Mr. Walter E. Vashak, Assistant Corporation Counsel, City of Detroit; Mr. E. V. Fryhoff, Director, Detroit Metropolitan Aviation Authority; Mr. C. V. Burnett, Manager, City of Detroit Airport.

AMBASSADOR TO PERU: The Secretary of State for External Affairs, Mr. Pearson, announced on February 24 the appointment of Mr. Emile Vaillancourt as Ambassador Extraordinary and Plenipotentiary of Canada to Peru. He succeeds Mr. J.A. Strong who was appointed in June, 1947.

Mr. Vaillancourt was born in Montreal in 1889, and studied classics at College Sainte-Marie, Montreal. He devoted many years to the development of Canadian tourism. Mr. Vaillancourt was the first Director General of Tourism of the Province of Quebec, and was manager of the Montreal Tourist and Convention Bureau. He was also Director of the Quebec Division of the Health League of Canada.

A former alderman of the City of Outremont, Mr. Vaillancourt is Honorary Lieutenant-Colonel of the Canadian Officers Training Corps, University of Montreal Contingent. He is the author of many works on Canadian History, international politics, archaeology and geneology. He was appointed Canada's first Envoy Extraordinary and Minister Plenipotentiary to the Republic of Cuba in 1945 and became Minister to Yugoslavia in 1947.

Mr. Vaillancourt will take up his new duties some time during the next three months.

ILO EXPERTS ON SOCIAL SECURITY: The social insurance experts of 12 nations on February 23, adjourned their conference after reaching agreement on a questionnaire to be sent to 60 member countries of the International Labour Organization concerning a new world social security code.

The 17 experts, including administrators of some of the world's largest government insurance schemes, will ask the ILO's Governing Body when it meets in Geneva, March 8, to approve the questionnaire.

They wish to revise existing ILO social security conventions and recommendations and to provide world minimum standards for countries in the initial process of introducing new social insurance schemes, with higher standards later available for the more advanced countries.

The subject is on the agenda of the 1951 I.L.O. Conference.

The group also urged arrangements for training of social security administrators, creation of an ILO social security periodical, and adjustment of social security benefits to the cost of living.

The members also discussed social security for agricultural workers and the development of social security schemes by co-operatives and mutual benefit societies.

TOBACCO REFERENCE PAPER: The Bureau of Statistics has released a reference paper entitled "Historical Series of Tobacco Statistics" bringing up to 1948 inclusive the statisti-

cal data relative to tobacco production, manufacture and trade presented in the "Statistical Handbook of Canadian Tobacco" prepared with the co-operation of the Tobacco Division, Central Experimental Farm, and published in 1947.

WAGE RATES UP 105.9 P.C.: Current issue of the Labour Gazette carries an analysis of the three main divisions of the clothing industry, revealing that wage rates in the industry in Canada had increased by 105.9 per cent in the period from 1939 to 1948. The analysis is based on the results of a survey conducted by the Economics and Research Branch of the Department of Labour.

The largest annual increases during the period in question occurred in 1941 and 1946. In both these years, the annual increase amounted to more than 12 per cent over the preceding year. In 1948, the advance recorded over 1947 was 8.7 per cent. The survey covered 182 establishments employing 18,700 factory workers.

EARN CROP VALUE \$1,420,000,000: The gross dollar value of the principal field crops produced last year on Canadian farms (excluding Newfoundland) is now placed by the Bureau of Statistics at \$1,420,000,000, down \$265,000,000 or 16 per cent from the all-time record value of \$1,685,000,000 in 1948. Lower values were shown for most of the principal field crops. Decreases were also recorded for seven provinces, one being higher and one unchanged.

The value of the wheat crop was down to \$566,000,000 from \$612,000,000 in 1948, oats to \$205,000,000 from \$255,000,000, barley to \$102,000,000 from \$150,000,000, hay and clover to \$223,000,000 from \$255,000,000, potatoes to \$83,000,000 from \$92,000,000, mixed grains to \$53,000,000 from \$60,000,000, and flaxseed to \$8,000,000 from \$67,000,000.

The value of the alfalfa crop rose to \$54,000,000 from \$51,000,000, fodder corn to \$35,000,000 from \$29,000,000, shelled corn to \$17,000,000 from \$16,000,000, and soybeans to \$6,000,000 from \$4,000,000. Field roots at \$22,000,000 and sugar beets at \$9,000,000 were unchanged. All other field crops were lower.

Among the provinces the largest decline in gross value from 1948 was shown in Alberta, where the value of crops was down \$101,000,000. The decrease in Saskatchewan was \$69,000,000, Manitoba \$41,000,000, and Ontario \$34,000,000.

Saskatchewan's crop value -- largest among the provinces -- was \$370,000,000 as compared with \$439,000,000 in 1948, followed by Ontario at \$344,000,000 against \$378,000,000, Alberta \$239,000,000 against \$340,000,000, Quebec \$183,000,000 against \$196,000,000, and Manitoba \$172,000,000 against \$213,000,000.

GENERAL MCNAUGHTON ON "NORTH AMERICAN DEFENCE"

GEOGRAPHICAL SOCIETY ADDRESS: It is not on mere numbers in the armed forces that Canada and the United States depend for defence against any possible aggression, but on "quality" forces and "quality" weapons and equipment, General A.G.L. McNaughton, former head of Canada's Delegation to the United Nations, said in an address to the Canadian Geographical Society, Ottawa, at the Society's 21st Annual General Meeting on February 24.

He sketched at length the history of relations between Canada and the United States. They were not always amicable, nor was there always complete understanding. Only in recent years was there mutual concern for one another's security. Transition from the negative to the positive association in defence came, in his opinion, with the statement, in August, 1938, by President Roosevelt, that the United States would not stand idly by if domination of Canadian soil were threatened, and the reciprocal reply of the then Prime Minister, Mr. King.

COMBINATION OF FORCES

"Having regard to the potential military and industrial strengths of the countries of the world as they exist today and as they may reasonably be projected some years into the future, it is clear that the only possible source of trouble which could threaten the safety of North America would be some combination of forces in Europe and Asia which had extended its dominance to the oceans to the west, to the east, and to the north", General McNaughton said. "As matters stand, such a consolidation of power in Europe and Asia does not as yet exist, but there is evidence -- convincing evidence -- that such a consolidation is within the thought of some of those who are concerned in the policy of the Soviet Union as a course of action which might be undertaken when circumstances become propitious.

"By this those who hold these views might envisage their attainment to the possession of such advantages as the possession of large numbers of atomic bombs or other weapons of mass destruction; the weakening of the United States or of Great Britain or of France or other of the democratic countries through political disturbances, financial depression, unemployment, or otherwise; or, more probably, the improvement of the Soviet power relative to the rest of the world by reason of quarrels and disputes between nations which would bring turmoil and distraction in vital areas such as the Eastern Mediterranean.

"The stated policy of the Government of Canada is to do everything possible through the United Nations to settle disputes between nations and in association with others of like mind to create an effective deterrent to at-

tack. The aim is thus to prevent the outbreak of another world war, or failing this, should war come, to ensure that we and our potential allies are in a position to win and win quickly....

"Behind these priceless human and moral resources which are notable characteristics of the people of the Atlantic Region, the United States and Canada between them in North America possess the most comprehensive mass production industry in the world. We are particularly fortunate that if we have to meet an emergency, we start from the satisfactory position that in the standards, in the methods and in the techniques of industry there is wide interchangeability between us....

"It is not on numbers in the armed forces that we in North America depend for defence against any possible aggression, though these must be sufficient. We depend in fact on the more highly skilled and perfectly equipped forces by sea and land and in the air which our special advantages make possible -- hard hitting forces which can be mobile, far reaching, long enduring, and as matters stand, decisive in their power against any aggressor.

ON 'QUALITY' FORCES

"It is clear that if we are ever attacked, it is on 'quality' forces and on 'quality' weapons and equipment that we should place reliance. It is important that this be well remembered down the years and particularly by those entrusted with the conduct of negotiations for reductions in world armaments.

"I think that in the period between World War I and World War II, both in Canada and in the United States, we learned the bitter lesson that unilateral disarmament is a delusion -- a very expensive delusion that brought us very near to disaster and that cost us very dear in the lives of our young people. Just such a bitter delusion would be the surrender of any of the special weapons of great power, with which I include those based on atomic energy, until we have acceptable assurance through mutually applicable safeguards and an effective international system of inspection and control which carries our confidence that they, or their like, will not be used against us.

"On the contrary as the situation stands it is of the first importance that we give our closest attention and maximum effort to extending the margin of superiority which we now possess in these special weapons and in facilities for their manufacture and in insuring that we shall be able to use them effectively should the occasion require.

"In these matters, the advantage of safeguards now possessed by the people of North America is not something which we could retain if we ceased to progress...."

expansion could not be stopped in south and southeast Asia by military force alone. If this area were not to be conquered by Communism, the free democratic world, including the Asian states themselves which are free, "must demonstrate that it is we, and not the Russians, who stand for national liberation and economic and social progress."

On the question of the recognition of the Peiping Government of China, he said in part: "This whole question of (its) recognition is now before the Government, which is giving it active consideration in the light, among other things, of the report that I have made to the Government, on our recent discussions in the Far East. At the moment I can say no more than that on this question."

As a result of talks with General Douglas MacArthur Mr. Pearson was more impressed than ever with the need for seizing every opportunity that might lead to a satisfactory early settlement with Japan. On that subject he said, in part:

"Perhaps this prolonged occupation period will have served a purpose in enabling us to acquire a better perspective on the type of peace treaty we should make with Japan, which will, we hope, be a lasting one; one that would be bitterly opposed as unjust by the Japanese people. We know the damage to peace and security that such a punitive peace treaty can cause. I am persuaded myself that, from here on, the disadvantages involved in military occupation, of which I have spoken before, will outweigh the advantages, and that a point of diminishing returns has been reached, if not passed. Therefore I hope that all Governments interested in a peace settlement with Japan will not overlook any opportunity to further this end, even if--and this would certainly be an undesirable alternative, a second best--we had to have a peace conference with some powers absent because they refused to accept reasonable conditions for participation on which all other powers were agreed..."

Mr. Pearson touched on the European situation and read excerpts from a statement sub-

mitted at the Conference by the Canadian Delegation, in which Canada welcomed the prospect of closer economic co-operation between the countries of Western Europe, but feared that "some of the proposals made recently seem ... to be as likely to encourage the development of new high cost industries and increased high-cost agricultural production in Europe, as to lead to the objectives of greater efficiency and lower costs and prices at which they purport to be aiming."

During the Conference there were also economic and financial talks among officials of the Delegations represented there.

After the Conference, Mr. Pearson said, Mr. Mayhew and he, with their officials, visited a number of countries in the Far East.

"On this aspect of our journey I hope my colleague the Minister of Fisheries will report later in this debate in more detail," said Mr. Pearson. "On our journey every effort was taken to explore the possibility of increasing and expanding Canadian trade with the countries visited. Without exception, wherever we went we found not only a great friendship but a lively interest in achieving that objective of greater trade."

"In Tokyo, for instance, we had one discussion with General MacArthur devoted exclusively to trade matters, and he expressed his great desire to do what he could to increase Canadian-Japanese trade. He added... that there was no desire in Japan to indulge in commercial chicanery of the kind that disturbed us in Canada so much in the years before the war. He went on to say, and I hope he is correct, that we now had a guarantee against dumping by Japan in the removal of government subsidies on the one hand and the building up of the trade union movement, with protected wages, on the other. Therefore he considered that Canada need not fear in the future the menace of Japanese trade of the pre-war variety, but could rather look forward to trade built on a sound basis of mutual benefit. I told him that was the kind of trade, and indeed the only kind, in which we were interested..."

1949 WHOLESALE SALES UP: Sales of wholesalers in nine lines of trade showed an overall increase of three per cent in 1949 over the preceding year, while the value of year-end inventories was down 1.4 per cent. In December, sales were up one per cent over the same month of 1948, but down 14 per cent from November. The general unadjusted index of sales in December, on the base 1935-49=100, was 263.3 compared with 306.7 in November and 259.9 in December, 1948.

USING MORE DOMESTIC PETROLEUM: Domestic sources are accounting for an increasing proportion of the crude petroleum consumed in Canada. Of the total receipts at refineries in

September, 22.6 per cent came from Canadian oil fields as against 12.4 per cent in the corresponding month of 1948, while in the first nine months of the year the percentage was 20.9 as compared with 12.8 in the similar period of 1948.

BORDER VEHICLE TRAFFIC: Foreign vehicles entering Canada on traveller's vehicle permits increased 11 per cent in January this year, numbering 36,193 as compared with 32,590 in the corresponding month last year. All provinces reported gains except British Columbia where many highways were closed by heavy storms. A decline was also shown for the Yukon Territory.

NIAGARA DIVERSION TREATY SIGNED WITH U.S.

MORE WATER FOR POWER: The following is the text of the announcement, made in the House of Commons on February 27 by the Secretary of State for External Affairs, Mr. Pearson, on the signing with the United States of the Niagara Diversion Treaty:

"We have been discussing with the United States Government, at their suggestion, the possibility of amending Article V of the Boundary Waters Treaty of 1909 with respect to the use of water from the Niagara River for the generation of hydro-electric power. In these talks we have had the valuable assistance of the Chairman of the Hydro-Electric Power Commission of Ontario and the Chairman of the Niagara Parks Commission. The discussions have resulted in a Niagara Diversion Treaty. I am able to announce that this Treaty is being signed today in Washington by the United States Secretary of State, the Honourable Dean Acheson, and the Canadian Ambassador, Mr. Hume Wrong. I should like to table copies of the treaty in English and French.

"The Boundary Waters Treaty of 1909 authorized the diversion by the United States of 20,000 cubic feet of water per second, and the diversion by Canada of 36,000 cubic feet per second. Although Canada was thus allowed to use more water than the United States, the power produced by the extra Canadian share has been exported to the United States. As a result each country has had the use of hydro-electric power produced by approximately half of the water made available by the 1909 Treaty.

"During the Second World War additional diversions of 13,000 cubic feet per second on the Canadian side, and 12,500 cubic feet per second on the United States side were authorized on a temporary basis.

"The new Niagara Treaty reserves adequate quantities of water for flow over the Falls and through the Rapids, and then authorizes the use of all remaining water for power purposes. Since this water will for the first time be divided equally between the two countries, the United States Government is being informed through our Embassy in Washington that when facilities have been constructed in the United States to use the full United States share of water, Canadian export licenses

then in effect will not be renewed unless circumstances existing in Canada at that time make such a course desirable.

"It is not possible to say just how much more water this Treaty will make available to Canada, since the necessity of preserving the scenic beauty of the Falls and Rapids is the first charge on the fluctuating volume of water in the Niagara River. However, it is expected that both countries will normally have the use of more water than before. At the same time, the fact that the temporary arrangements agreed upon during the war are being superseded by a permanent agreement will permit the construction of new power plants of the latest design to replace a number of existing plants now in operation, which cannot make the most effective use of the available water. For these two reasons, a substantial increase in the amount of hydro-electric power generated at Niagara can be expected once this Treaty has been ratified and the new power plants have been constructed.

"Nevertheless the demand for power keeps increasing, and this additional Niagara power cannot be expected to meet the full needs of Ontario and New York State. The power requirements of these areas can only be met by the full development of the potential power of the St. Lawrence River. The additional Niagara power should help to tide us over the period required for the construction of the St. Lawrence facilities, but the need for St. Lawrence power is as urgent as it ever has been. The new Niagara Diversion Treaty does not in any way lessen Canada's interest in, and desire for, early ratification by both governments of the St. Lawrence Waterway and Power Agreement of 1941.

"The Treaty contains two provisions designed to protect and enhance the scenic beauty of the Niagara River and Falls. It calls for early completion of remedial works to ensure an unbroken crestline on the Falls by distributing the waters more evenly. It also ensures that the flow over the Falls and through the Rapids will not be reduced below the amounts which experience has shown are essential for the preservation of the full scenic spectacle...."

\$42,000,000 MORE FOR DEFENCE: The Minister of Finance, Mr. Abbott, presented to Parliament, on February 24, the Estimates for the fiscal year ending March 31, 1951. The total is \$2,308 million as compared with \$2,335 million last year. He expected that Supplementary Estimates this year would be considerably less than the \$63 million brought in last fall.

After noting that the biggest increase shown for any department was that for Health and Welfare, Mr. Abbott spoke, in part, as follows:

"The next largest increase, and the one that is the major development of policy reflected in these Estimates, is the \$42 million increase provided for defence -- raising the defence expenditures from \$383 million this current year to an estimate of \$425 million next year. This, of course, reflects the Government's decisions as to what forces, equipment, and activities are now necessary for defence in the light of the international situation and our position in the North Atlantic Alliance. This total for defence will in-

clude now substantial payments for new aircraft, ships, radar equipment, and weapons of various kinds, as well as the construction of buildings and bases to replace or supplement those left from the war. To provide this increase for Defence and that for Health and Welfare within what the Government has regarded as a reasonable total of expenditure has involved a severe scrutiny of all other expenditures and the elimination of all that appeared of doubtful necessity at this time..."

COMBINES COMMISSIONER: The Minister of Justice, Mr. Garson, in the House of Commons, on February 24, announced the appointment of Thomas D. MacDonald, K.C., as Commissioner under the Combines Investigation Act. Mr. Garson said:

"I should like to announce the appointment of Mr. Thomas D. MacDonald, K.C., as Commissioner under the Combines Investigation Act. Mr. MacDonald graduated from Dalhousie University in Arts in 1931, in Law in 1933, and immediately entered the Department of the Attorney General of Nova Scotia. In seven years he had risen to become the head of the Department as Deputy Attorney General in 1940, and except for a period of war service he occupied that position continuously until 1949, when, in April, he resigned to accept a position with the federal Department of Justice, as Superintendent of Bankruptcy, and also as counsel. In that post he served until he accepted the present position."

ARMY "TASTING TESTS": Fifty men picked at random from office staffs at Army Headquarters began a week-long series of "tasting tests" of the Army's new Ten-Man Arctic Ration Pack in the Drill Hall, Ottawa, on February 27.

Their reactions to a wide range of packaged and tinned foods will help military researchers and scientists decide whether or not the rations are satisfactory and adequate for field use. More complete tests over longer periods to determine the soldiers' physical and mental attitude towards the rations are being conducted on various field exercises this winter.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on February 16 amounted to 149,409,800 bushels as compared with 151,763,700 on February 9, and 149,546,000 on the corresponding date last year. Farmers in the Prairie Provinces marketed 2,201,300 bushels of wheat during the week ending February 16, sharply above last year's figure of 739,200. This brought marketings for the crop year to date to 248,357,600 bushels as against 245,586,400 in the like period of the preceding crop year.

CANADA AT THE UN: The Economic and Social Council of the United Nations, on February 20, took up consideration of the report issued in December recommending various national and international programmes to maintain full employment.

Raymond Eudes (Canada), said his Delegation had always maintained a "vivid and continuing" interest in questions of employment and economic stability, the UN Press Bureau reported. The experts' report on "National and International Measures to Achieve Full Employment" and the comments of the Economic and Employment Commission on the experts' report, he added, constituted a very useful stage in the consideration of this problem.

He observed that the "excellent" report was the best possible commentary on the validity of the expert method for obtaining studies and reports as opposed to the less satisfactory instrument offered by the two sub-commissions of the Economic and Employment Commission.

Mr. Eudes said his Delegation agreed "wholeheartedly" that ample time must be allowed for Governments and others concerned to examine thoroughly the theoretical analysis, the conclusions, and the concrete proposals of the experts.

GUIDING PRINCIPLES APPROVED

Mr. Eudes indicated some "preliminary" reactions of his Government to certain aspects of the experts' report. He said that Canada approved the guiding principles which the experts considered fundamental to formulation of sound recommendations and agreed "wholeheartedly" with the emphasis the experts had given to such matters as the need "to remove the present structural imbalance in international trade and payments and the network of trade barriers." He was sure that no one would disagree with the "importance of economic development, the necessity for a larger and more stable flow of international investment, or the importance of devising suitable means for avoiding the international propagation of unemployment resulting from cyclical fluctuations in effective demand."

He pointed out that for an "open economy like Canada's -- heavily dependent on external trade and the development of natural resources -- there were positive limits to the application and value of "automatic measures" of the kind proposed by the experts.

Concluding, he said, his Delegation believed that the Economic and Employment Commission was right in focusing attention on one of the "great weaknesses" in the experts' report, namely "the inadequacy of treatment of matters such as wage-price relations and other structural questions."

On February 21 the Council unanimously adopted a resolution commending the experts' report to member Governments and all concerned.

Speaking on the world economic situation, on February 23, Mr. Eudes briefly described the Canadian economic scene.

MINES AND TECHNICAL SURVEYS DEPARTMENT

ORGANIZATION AND FUNCTIONS: The Honourable J.J. McCann is the newly appointed Minister of Mines and Technical Surveys. Ralph Maybank is the Parliamentary Assistant to the Minister and the Department includes five technical branches.

The new Department renders important services to the mining and metallurgical industries; it administers the Explosives Act; it conducts topographical mapping, hydrographic charting, precise levelling and triangulation, legal surveys, and map compilation; and it is responsible for geological investigation and mapping, and the collection and organization of geographical data on Canada and foreign countries. In addition, the Department is responsible for the Dominion Observatories with their related work on gravity, magnetism, and seismology.

The organization is set up as follows: Marc Boyer, Deputy Minister; Dr. G.S. Hume, Director-General of Scientific Services; and Norman Capes, Director, Administration and Personnel.

The scientific services are distributed in the following branches: Mines Branch, Director, C.S. Parsons; Geological Survey of Canada, Director, Dr. W.A. Bell; Surveys and Mapping Branch, Director, W.H. Miller; Geographical Branch, Director, Dr. J.W. Watson; Dominion Observatories, Dominion Astronomer, Dr. C.S. Beals.

The Mines Branch is comprised of six divisions conducting a wide range of scientific and technical services for Canadian industry: Mineral Resources Division, Mineral Dressing and Process Metallurgy Division, Radioactivity

Division, Fuels Division, Physical Metallurgy Division and Explosives Division.

The Geological Survey of Canada is comprised of seven technical divisions and a Geological Mapping and Cartography division. The work of this Branch not only includes the important long-range programme of geological mapping in Canada but also includes broad investigation in the following fields: Stratigraphy and Palaeontology, Mineralogy and Radioactivity, Geophysics, Groundwater Glacial and Engineering Geology, Petroleum and Natural Gas, Coal and Regional Geology.

The Surveys and Mapping Branch is made up of four Survey divisions and a Map Compilation and Drafting Division: Topographical Survey, Hydrographic Survey, Geodetic Survey and Legal Surveys.

The Dominion Observatories, located at Victoria, B.C. and Ottawa, Ont., conduct work in the following fields: Astrophysics, Stellar Physics, Positional Astronomy, Terrestrial Magnetism, Gravity and Seismology.

The Geographical Branch is a comparatively recent addition to the Department. Broadly stated, its functions are: the preparation of an Atlas of Canada; to collect, organize, and make available for use basic geographic data on Canada and foreign countries which is required by this and other government departments; and to obtain by field and office research collate and organize material relating to the geography of Canada which could be of use to the economic, commercial and social life of this country.

SPECIAL HEALTH GRANTS: Public health units in Ontario are to obtain more than \$15,000 worth of special and technical equipment to be paid for by a federal health grant, the Minister of National Health and Welfare, Mr. Martin, announced on March 1. The equipment to be obtained is all of a special type not covered by the ordinary budgets of health units and municipal boards of health.

At the same time Mr. Martin announced that funds have been earmarked to buy an electroencephalograph or "brain wave" machine for the Ontario Hospital School, Orillia. This apparatus is used for the diagnosis of organic brain disorders and is expected to be very useful in this institution of more than 2,000 patients.

DOLLAR ARRANGEMENT WITH DENMARK: Trade between Canada and Denmark may be carried on in future on either a United States dollar or a Canadian dollar basis, the Minister of Fi-

nance, Mr. Abbott, announced on February 28.

Heretofore exporters shipping to Denmark have been required to obtain payment in U.S. dollars. Under arrangements made with the Danish authorities, Denmark is being designated as a "special arrangement" country as from March 1. Consequently Canadian dollars will also be acceptable in payment for exports to Denmark.

The arrangements also will enable Canadians to obtain permits through their banks for the expenditure of any reasonable amounts of Canadian dollars for travel to Denmark. Denmark is thus placed on the same basis, so far as Canadian travellers are concerned, as France, Belgium, Luxembourg, the Netherlands, Norway, Sweden, Switzerland, Italy and countries in the sterling area.

Previously, travel expenditures in Denmark were in practice made in U.S. dollars and were therefore limited by the travel ration of \$150 U.S.

EXPORTS TO U.S. CONTINUE HIGHER

THIRD SUCCESSIVE MONTH: Canada's domestic exports to the United States -- for the third successive month -- were substantially higher in value in January than a year earlier. Shipments to Commonwealth and other countries were generally lower and the total value of domestic exports to all countries fell below that of January last year.

Exports to the United States in the month were valued at \$130,859,000 as against \$116,023,000 in January, 1949, an increase of nearly 13 per cent. The January value was higher than that for any of the first nine months of 1949 before the currency revaluations, but was exceeded in October, November and December, which are usually the peak months of the year. Part of the higher January value in terms of Canadian dollars over January last year can be attributed to the premium on United States exchange.

Total exports to all countries in January declined in value to \$221,200,000 compared with \$237,000,000 a year earlier. Shipments to the United States thus accounted for about 59 per cent of the month's total value as compared with slightly more than 50 per cent in the 12 months of 1949.

Sales to the United Kingdom -- which have been subject to fluctuations during recent months -- were valued at \$48,608,000, down from \$55,813,000 a year earlier, but only slightly under the December figure. There were

decreases also from a year ago in exports to other Commonwealth areas. The largest decline was in exports to Commonwealth countries in Asia which fell to \$3,473,000 from \$14,937,000, with shipments to India down to \$495,000 from \$11,190,000 in January last year, when there were exceptionally large exports of wheat and railway equipment to that country. Exports to the British West Indies, including British Guiana, Bermuda and British Honduras, declined to \$2,512,000 compared to \$4,608,000; to Commonwealth countries in Africa to \$3,831,000 from \$4,991,000; and to the Oceania group of Australia, New Zealand and Fiji to \$2,612,000 from \$3,145,000. Total value of exports to all Commonwealth countries, including the United Kingdom, was \$62,336,000 as against \$83,706,000.

Exports to Latin America were lower at \$6,866,000 compared with \$7,953,000, decreases being recorded for most of the larger Canadian markets in the group except Cuba and Venezuela. Shipments to Continental Europe fell off more sharply to \$10,362,000 as against \$16,569,000, with sales lower to Belgium and Luxembourg, France, Germany, Netherlands, Norway and Switzerland but higher to Portugal and Spain. Exports to remaining foreign countries, on the other hand, increased to \$9,675,000 from \$8,375,000, mainly due to gains to Israel, Japan, Indonesia and the Philippine Islands.

SPEED AIR TRANSPORTATION: Effective March 1, the member nations of the International Civil Aviation Organization have agreed in substance to a standardization of customs, immigration and related procedures which will speed the international movement of passengers and cargo by air. The model procedures are contained in the Convention on International Civil Aviation's Annex 9, which comes into force on March 1, 1950. This Annex has been under development and study by ICAO for the past several years.

Dr. Edward Warner, President of the Council of ICAO, emphasized in Montreal, however, that this was just one major step toward the ultimate goal of a simplified uniform regulation covering the facilitation of international air transport. "Although we do not have official reports in every case, we know that more than forty sovereign countries, or more than two-thirds of ICAO's membership, have adopted the greater part of ICAO's recommendations.

"There will always be much room for improvement in this field, but considering the information we have received to date, we can at least be moderately optimistic. I should also like to note that at least twenty countries have organized their own committees on facilitation to promote the implementation of

the ICAO programme and to solve day-to-day problems in the facilitation field".

ICAO's facilitation programme for international air traffic covers these distinct yet related fields: entry and departure of aircraft; entry and departure of individuals and cargo; air traffic passing through the territory of an ICAO member nation; customs-free airports and trade zones; air sanitation and quarantine; currency exchange facilities and indirect impediments which increase costs, such as duplicating insurance and taxation requirements.

DECLINE IN JOB-SEEKERS: The Minister of Labour, Mr. Mitchell, on March 1 released the following statement on the employment situation.

There has been a slight decline in the number of persons seeking work through National Employment Service offices. At February 16, there were 378,300 persons registered with the National Employment Service, a drop of 2,600 from the previous week. From February 2 to February 9, there was an increase of 5,300.

The drop in the number of job seekers was greatest in the Pacific Region, where a decrease of 3,600 was reported. With improved

weather conditions, many loggers, sawmill and construction workers were able to return to their jobs. This decline in the Pacific region was offset to some extent by increases in the Maritimes and Quebec; slight declines were registered in Ontario and the Prairie region.

Information received from most local employment offices points to a definite improvement in the employment situation. Out of 180 local National Employment Service office areas, 80 reported a decline in the number of job seekers; most of the rest indicated a slowing down in the rate at which persons were registering for work.

Latest available figures indicate that with a few exceptions employment in Canadian industries is continuing close to the record levels established in 1948. Manufacturing as a whole has shown the most stability. Reduced employment in such industries as shipbuilding and agricultural implements has been almost balanced by gains in others such as automobiles and clothing. Basic manufacturing industries like primary iron and steel and heavy electrical apparatus have shown little change from previous record levels. These varied trends have resulted in some dislocation in employment, however.

Over the next month or two, more and more job openings for many of those at present out of work are in prospect, as construction, transportation and agriculture become active in the spring. A high level of employment in the construction industry is expected, with a heavy programme of house building and construction of highways and other public utilities on hand.

INTERNATIONAL TRADE FAIR: The jewellery section of the 1950 Canadian International Trade Fair will provide many new and unusual items, judging by the descriptive material supplied by some of the firms that have already booked their space. The British Jewellery and Silverware Council will have a large composite exhibit in which the latest products of some 100 firms will be displayed for the benefit of the visiting business men.

Although this exhibit will have a bewildering array of the craftsman's work, firms from other countries will have unique and different pieces of jewellery to intrigue the buyer, Trade Fair authorities have announced.

The Dutch have taken space to exhibit diamonds, diamond cutting equipment, buttons, imitation pearls and other jewellery.

French costume jewellery will be offered along with novelty items of all kinds, silver tea services, desk sets, etc.

Precious stones from India will be displayed, along with examples of Indian handicrafts and other samples of Indian jewellery inventiveness.

A Spanish jewellery firm is making its initial bow at the Trade Fair.

TRADE CONFERENCE DEBATE: The House of Commons, on February 28, by a vote of 148 to 55, defeated a Progressive Conservative amendment, introduced on a government motion to go into Committee of Supply, which would have called upon the Government to take immediate steps to convene a Commonwealth trade conference.

The proposed amendment was introduced by John Diefenbaker, (PC--Lake Centre) and supported by M. J. Goldwell, C. C. F. Leader, and Solon E. Low, Social Credit Leader. Eight members, in all, participated in the discussion, during which the Minister of Finance, Mr. Abbott, as well as touching upon various trade matters arising out of the debate, spoke in part as follows:

"The amendment proposed by the hon. member for Lake Centre (Mr. Diefenbaker) asks that Canada take the initiative in calling another conference, as he puts it, of the nations of the British Commonwealth and Empire, to devise policies to restore our lost markets and thereby provide jobs for our Canadian people. As the hon. member for Rosetown-Biggart (Mr. Goldwell) said, conferences of this kind are always helpful. I am not just sure what my hon. friend would suggest as the agenda for such a conference. I am not sure, as was indicated by the hon. member for Rosetown-Biggart, whether this would be another conference such as was held in the early thirties, for raising tariffs and creating a special, preferred area. If it were to be that sort of conference I for one, as the hon. member said, would not want to take part in it.

"It is true that there are many difficulties in connection with trading in the world today; but my experience has not been that those difficulties are due to a lack of conferences. I have attended some myself, including the Bretton Woods conference to which allusion was made a short time ago. On short notice I went to London last July to a meeting which was attended by the Finance Ministers of the nations of the Commonwealth, at which inevitably trade matters were discussed. It was a very helpful conference, and led to the further meeting in Washington in September, at which trade and financial matters were again discussed, and at which I think certain desirable long-term objectives were laid down and certain short-term policies were agreed upon which have proved helpful. Frankly, however, I do not think the trading problems of the world are going to be solved by simply calling another conference. I for one do not like to either initiate or attend a conference unless I know exactly what we are going to talk about. While I have no doubt it will be found desirable to hold further conferences to discuss trade matters, I do not know that the holding of a full-fledged Commonwealth or Empire Conference at this time would add very much to the knowledge of this or any other member of the Commonwealth in reference to specific solutions which can be found for these trade difficulties...."



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WEEK'S EVENTS IN REVIEW

IN PARLIAMENT: Two no-confidence motions were submitted in the House of Commons this week, as Parliament got under way on its first full week of deliberations. First among the party leaders to participate in the opening debate on the Address in Reply to the Speech from the Throne, the Leader of the Progressive Conservative Party, George Drew, moved the main amendment to the Address. After the Prime Minister, Mr. St. Laurent, had intervened with a speech in reply to Mr. Drew, the Leader of the C.C.F. Party, M.J. Coldwell, moved his party's submission in the form of an amendment to the amendment.

Mr. Drew's four-point proposed amendment read as follows:

"We respectfully submit to Your Excellency that Your Excellency's advisers have:

"(1) failed to take adequate measures to preserve and expand markets for Canada's surplus products of farm, forest, sea and mine, and to deal with the problems of increasing unemployment and reduced income to Canadian farmers and other producers; and

"(2) failed to take steps to inaugurate a national contributory system of old age pensions without a means test; and

"(3) deliberately violated a law of this Parliament by illegally suppressing the report of the Commissioner under the Combines Investigation Act on the flour milling industry for ten months, including the period of the recent general election campaign, and denied

to Parliament information essential to the performance of its duty and the maintenance of responsible government; and

"(4) failed to take adequate measures to curb espionage and other harmful activities of communists in Canada.

"For these and other reasons we respectfully submit that your Excellency's advisers are not entitled to the confidence of this House."

Mr. Coldwell's subamendment would make the proposed main amendment read:

"We respectfully submit to Your Excellency that Your Excellency's advisers have:

"(1) failed to take adequate measures to preserve and expand markets for Canada's surplus products of farm, forest, sea and mine, and to deal with the problems of increasing unemployment and reduced income to Canadian farmers and other producers; and

"(2) failed to take steps to inaugurate an over-all social security programme including national health insurance and the removal of the means test from the old age pension; and

"(3) deliberately violated a law of this Parliament by illegally suppressing the report of the Commissioner under the Combines Investigation Act on the flour mill industry for ten months, including the period of the recent general election campaign, and denied to Parliament information essential to the performance of its duty and the maintenance of responsible government...."

TWO DIVISION FLEET. A clear-cut division between operational and training ships is being undertaken in the Royal Canadian Navy, it was announced on February 16 at Naval Headquarters.

Operational ships and carrier-borne aircraft are being welded into a specialized anti-submarine force and are to be developed to the highest possible standard of efficiency.

Training ships will be employed exclusively in providing sea experience for new entries, Reserve personnel and Naval Cadets, and in furnishing the practical training necessary to supplement that received ashore by men taking courses in specialized subjects -- gunnery, communications, electricity, electronics, engineering, radar plotting, etc.

This dual program has been blue-printed for some time but a shortage of manpower and lack of trained personnel delayed its introduction. It is anticipated that the next few months will see these deficiencies sufficiently overcome to clear the way for what is considered to be the most important step taken by the Navy since the war.

FIRST MOVE LAST YEAR

The first move in this direction actually was made last year, when the cruiser H.M.C.S. "Ontario" was freed of all operational commitments and assigned strictly to training duties. However, there were no ships set aside for purely operational purposes, all of them being engaged, of necessity, in training activities at various times and in varying degrees.

The operational force, to begin with, will consist of the aircraft carrier "Magnificent" and destroyers "Micmac" and "Huron" on the East Coast, and the destroyers "Cayuga" and "Sioux" on the West Coast.

The crews of these ships will contain a high proportion of trained personnel and will not be subjected to large-scale changes at frequent intervals, as is the case in training craft. A certain number of untrained men will be absorbed into their ship's companies from time to time but only so many as not to affect their efficiency.

In this way it is hoped that efficiency and teamwork will be developed to a high degree, initially in the ships themselves, then in the force as a whole.

Under arrangements which have been in effect for some time, British and United States submarines will be made available to the R.C.N. for practical training purposes. These submarines will be employed both in training anti-submarine personnel and in advanced exercises with ships and aircraft of the operational force.

RECORD RETAIL SALES: Canadians spent more money in retail stores last December than in any other month on record, expenditures running to a total of \$791,420,000, up three per cent over the previous monthly peak of \$770,450,000 in December, 1948. Sales were higher in all months of 1949, compared with 1948 and the aggregate for the 12 months also reached a new all-time high figure of \$7,695,340,000 as against \$7,276,720,000 in 1948, the rise amounting to six per cent.

Christmas buying, always an important influence on December sales, was as active in 1949 as in the preceding year. Apparel stores, customarily popular gift centres, did a flourishing Christmas trade, although sales fell slightly short of December, 1948. Merchants of durable goods ended the year with substantial December sales increases. Appliance and radio stores showed a gain of 23 per cent in sales, while furniture and jewellery stores marked up advances of seven per cent and six per cent, respectively. In most other trades, results for December were close to the average gain of three per cent in total retail trade.

Sales in the year 1949 exceeded 1948 dollar volume for 16 of the 20 individual trades covered in the Bureau's monthly survey. In the four cases where declines occurred -- country general stores, men's clothing stores, family clothing stores, and coal and wood dealers -- the reductions were small. Apart from an increase of 17 per cent for motor vehicle dealers and a 10 per cent gain for garages and filling stations, the increases shown by the majority of trades were of moderate proportions.

R. M. C. WEST POINT HOCKEY ANNUAL: The second postwar meeting between the hockey teams of Royal Military College and the United States Military Academy of West Point, N.Y., will take place at Kingston, Ont., on March 11.

The famous annual series was resumed last winter after a seven-year lapse brought about by the war. In last year's hard-fought match, played at West Point before a jammed arena, the USMA squad chalked up a 5 to 4 victory, their third successive win in the series. They had previously defeated RMC in the 1939 and 1942 games, the last to be played before 1949.

The series has often been described as one of the world's "most sporting" athletic events. Never once during the entire history of the series, since 1923, has a player been penalized. And this in spite of the fact that rivalry and hard play has been keen in every game, with no quarter asked and none given. It is a record believed to be unique in college athletics.

NEW DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

THREE ACTIVITIES: The new Department of Citizenship and Immigration combines under one head three activities of Government dealing with human beings and designed to bring these human beings to the status of full citizenship.

It plans and directs the movement of immigrants to Canada; administers the Canadian Citizenship Act and assists in the adjustment of immigrants to the Canadian way of life and in the integration of the various ethnic groups which make up Canada's population, and administers the affairs of the 130,000 Indians of Canada, the Department announces.

The Minister of Citizenship and Immigration is the Honourable Walter Harris, and the Deputy Minister is Laval Fortier. A.L. Jolliffe is Special Advisor to the Deputy Minister on immigration matters. Head Office of the Department is in the Woods Building, Slater and Elgin Streets, Ottawa.

The Department is divided into the following five branches: Administration, Immigration, Canadian Citizenship Registration, Canadian Citizenship, Indian Affairs.

Administration Branch: W.J.F. Pratt, is Acting Chief Administrative Officer. The Administration Branch provides central services for the entire Department through the following five sections: Administration, Personnel, Purchasing, Legal, Editorial and Information.

Immigration Branch: C.E.S. Smith, is Acting Director. The Immigration Branch comprises the Canadian Service, which includes five Immigration Districts and 293 ports of entry in Canada; the Overseas Service, which includes immigration offices in the United Kingdom, Continental Europe, and Hong Kong; and the Settlement Service, whose members stationed in Canada and Europe provide up-to-date information and individual guidance to prospective immigrants.

Heads of services are the following: Canadian Service, P.T. Baldwin, Assistant Commissioner; Overseas Service, J.D. McFarlane, Assistant Commissioner; Settlement Service, J.A. Paul, Superintendent.

ARMY PAY CORPS COURSE: A month-long course for members of the Royal Canadian Army Pay Corps from all parts of Canada will begin at Ottawa on Monday, February 20, it was announced on February 17 by Army Headquarters. First of its kind ever conducted, the course is designed to train personnel in the rules governing the operation of messes and canteens. It includes training in bookkeeping and auditing.

GOLD PRODUCTION: Canadian production of gold in November continued the uninterrupted monthly gains of previous months in 1949 over

Canadian Citizenship Registration Branch: J.E. Duggan, is Registrar; Paul Deziel, Assistant Registrar. This Branch administers the Canadian Citizenship Act, deals with applications from aliens wishing to become Canadian citizens, and issues certificates in proof of their status to Canadian citizens.

Canadian Citizenship Branch: Frank Foulds, is Director; Dr. Louis Charbonneau, Assistant Director. This Branch assists Provincial Departments of Education and national organizations and societies in the development of programmes designed to help immigrants adjust themselves to the Canadian way of life. It also assists in the integration of the various ethnic groups which make up Canada's population.

The Branch is subdivided into three main divisions: The Liaison Division, concerned with the co-ordination of citizenship training programmes sponsored by the Provincial Departments of Education and national organizations and societies; the Research Division, responsible for the preparation of citizenship training manuals and data relating to ethnic and cultural groups, and the Information Division, responsible for the preparation and distribution of material to the foreign language press in Canada and to organizations and individuals requesting information of a general citizenship character.

Division heads are the following: Liaison, Dr. V.J. Kaye; Research, W.H. Agnew; Information, H.N. Lohead.

The Indian Affairs Branch directs the affairs of the Indian population on 91 agencies throughout Canada. It devotes particular attention to education -- 72 residential schools and 432 day-school classrooms are now in operation -- and to the provision of welfare services for the Indians. Modern methods of land usage and effective measures of fur conservation are taught to Indians dependent on farming and trapping for their livelihood.

1948, amounting to 361,311 fine ounces, 16 per cent above the November 1948 output of 311,399 fine ounces. Aggregate output for the first 11 months of 1949 rose to 3,739,166 fine ounces from 3,202,575 for the corresponding period of 1948, or by 17 per cent.

PRICE CONTROLS ON STEEL SCRAP WITHDRAWN: The Wartime Prices and Trade Board announced on February 14 that all price controls on steel scrap have been withdrawn effective February 15, 1950. This removes the last remaining commodity price control under the Wartime Prices and Trade Regulations.

A NEW BASIS FOR CANADIAN FORESTRY

ADDRESS BY THE MINISTER: The Minister of Resources and Development, Mr. Winters, spoke at the Annual Dinner of the Canadian Forestry Association in Montreal on February 16. After outlining the important position of the forest in Canada's economy he went on to discuss the newly enacted Canada Forestry Act, under which the federal Government is given authority to enter into agreements with the Provinces, corporations or individuals to develop and conserve forest resources.

The Minister outlined the scope of the Act in part as follows:

"... Those of us responsible for carrying out the provisions of the Canada Forestry Act do not forget that the Provinces are directly responsible for the administration and protection of their forest resources. The watch word under the new Act must be co-operation. Ottawa will make its most effective contribution by working out agreements with the Provinces covering the problems involved and by paying its share of the costs

"Adequate protection against fire damage is the first requisite for the proper management of our forests. On the average about two million acres are burned annually, an area greater than one-seventh of the Province of Nova Scotia. Estimated values destroyed run to around 4 million dollars annually on the average. The merchantable timber burned equals one-half the yearly consumption of our pulp and paper industry. It has been conservatively estimated that in Canada the present rate of fire loss on productive forest lands is twice as high as could be tolerated for the practice of sustained yield forestry.

"The most urgent, practical and immediately beneficial steps to be taken would be in the form of co-operative agreements with the Provinces for the protection of their forests from fire. This is Objective Number 1 in the new programme.

"To achieve this objective it will be necessary to confer with the provincial forest authorities with a view to seeking agreement on the principles and policies involved and to working out the details by which co-operative

forest fire protection measures might be implemented. I am hopeful that the necessary agreements can be concluded with the Provinces to become operative in the current year.

"Under Section 6 (c) the Minister may enter into agreements with any persons providing for economic studies of forest resources or forest industries, forest research and demonstrations and the operation of forest products laboratories."

"What can be done under this Section? Incidentally it may be pointed out that the word 'persons' in this connection embraces individuals, corporations or associations.

"Most important is the provision for economic studies of our forest resources and forest industries, the significance of which cannot be over-stressed. We have already seen the pre-eminent position taken by these industries in our national economy. To maintain and improve this position continuous research is required, particularly in the economic field. On all sides we hear references to sustained yield and the part it must play in the future of Canada's forests. But up to the present the cost factors involved in management on a sustained yield basis have not been thoroughly analyzed. Yet a knowledge of costs, I think we all agree, is fundamental to the solution of this problem...."

"Sub-section C of Section 6 of the Act is not restricted to economic studies. Agreements may also be made between the Minister and 'persons', providing for forest research and demonstrations. If it is desired to conduct a silvicultural demonstration on the limits of a corporation, or on a farm woodlot, if we wish to test out a new idea in forest fire protection or in the control of insects, if we wish to do anything under the broad wording of forest research and demonstrations, the Government now has the statutory authority to enter into the necessary agreements with the parties concerned. Thus it will be seen that the Canada Forestry Act establishes a strong, comprehensive and elastic legal foundation for federal co-operation and participation in the forestry field...."

ORDER DE BERNONVILLE DEPORTED: The deportation of Count Jacques de Bernonville was ordered on February 16 by the Board of Inquiry established in Montreal by the Immigration Branch in accordance with the Immigration Act to examine him as to his right to remain in Canada.

The decision of the Board has been appealed by de Bernonville.

The appeal will be considered by the Minister of Citizenship and Immigration upon receipt of the evidence which will be forwarded to Ottawa by the Board.

H.M.C.S. MAGNIFICENT, AT SEA FEB. 18: Two "enemy" aircraft were "shot down" Friday as a "hostile" force attempted to shadow the aircraft carrier Magnificent during exercises off the East Coast of North Carolina on the first leg of a two-month southern cruise.

The aircraft taking part in the exercise were all naval Fireflies of the 18th Carrier Air Group's 825 and 826 squadrons, but for the sake of realistic practice, a patrol of four planes circled over the ship to protect her against "enemy" attack. The air battle was recorded by camera guns.

MR. CHEVRIER ON TRANSPORTATION: "With our physical and geographical characteristics, our vast distances and comparatively small population, I believe it to be indisputable that the essence of our economic well-being is transportation," stated the Minister of Transport, Mr. Chevrier, speaking at a luncheon given by the Royal Montreal Curling Club during which he dealt with aviation, water transportation and railways.

In the Minister's opinion, aviation was rapidly becoming a well-established industry in Canada with relatively little assistance from the Government. "As knowledge of the science of aeronautics broadens, there is no doubt that aircraft will fill an increasingly important role as an agency of transport."

The rapid progress of civil aviation in Canada was indicated by the rise of operating revenues for all domestic air services from \$17,000,000 in 1945 to more than \$38,000,000 in 1949. Trans-Canada Airlines accounted for about 65 per cent of all domestic air revenues, and although it has experienced deficits the Minister was "hopeful that the extensive efforts which the company is devoting to increased efficiency and reduced costs, mean that it has now reached a turning point in the domestic picture." Canadian Pacific Airlines, which accounts for 17 per cent of domestic air revenues, had consolidated and standardized its operations within Canada to a point where "a deficit position has gradually been changed to a profit position in 1949".

INTERNATIONAL OPERATIONS

In terms of international operations, the Minister said that "our growth has been even more impressive than in the domestic field". He stated that "progress towards stable international air operations on a sound economic footing must of necessity be slow," and emphasized "that the Canadian Government was not seeking extensive expansion of international air service by Canadian air lines at the expense of the taxpayer." The services already established represent, in our opinion, lines which are designed to serve our most important national interests and expansion will not be undertaken lightly."

With respect to Canadian ocean shipping, the Minister stated that it was the hope of Government that its shipping policy would ensure "that Canada had at her disposal adequate ocean-going shipping to meet her requirements in a time of war;" would "maintain the ownership and control of the present deep-sea fleet;" and would "keep about 1,600 seamen actively employed as a nucleus on which to enlarge in time of need."

The Government's shipping policy was calculated to "enable approximately 40 ships to be kept in operation under the Canadian Flag" and "envisages the transfer of about 65 vessels to United Kingdom registry."

CZECH PRESS ATTACKS CBC: The CBC announced on February 16 that the Soviet controlled Czech press has again attacked the CBC International Service. In an almost identically phrased article published in Prague, Brno and Ostrava newspapers, states the announcement, the Czech press claims that "the British and Canadian radio in their usual untruthful way have distorted the report about the expulsion of two employees of the military attaché of the Canadian Legation in Prague."

"This is undoubtedly a dictated official line and does not worry us; it is further proof that our broadcasts to Czechoslovakia are taken seriously and are monitored carefully."

"The Danko-Vanier incident was covered in our news transmissions in which we broadcast only the facts of the case," stated officials of the Voice of Canada after they had received the Czech press clippings.

When the two expelled Canadians were interviewed on their return to Ottawa, they told newsmen that CBC programmes were "much appreciated" by the Czech people.

Canada sends shortwave broadcasts to Czechoslovakia four times daily.

INDIAN HEALTH SERVICES: The Minister of National Health and Welfare, Mr. Martin, spoke in the Town of Sioux Lookout, in honour of the Official Opening of the new Indian Hospital, on February 17. The following are some excerpts from his review of Canada's Indian Health Services:

"Five years ago Canada's expenditures on the health of Indians and Eskimos totalled little over \$2,000,000. This present year they total \$10,700,000 - a five-fold increase in five years...."

"To discharge, on behalf of the people of Canada, this voluntarily accepted responsibility for the health of our Indians and Eskimos, we have a trained staff of 1,000 in Indian Health Services, including 60 medical officers, 5 dental surgeons, 65 graduate nurses in the field and 125 nurses in departmental hospitals...."

"A truly outstanding achievement - and one that is a good gauge of the quality of our health workers in the field -- is that almost 75% of Canada's entire native population was given a chest X-ray in 1949. In the Sioux Lookout Agency the figure reached 90%. Our goal now is to check every individual, no matter how remote, at least once every two years."

"Tuberculosis among Indians and Eskimos is being brought under control. In addition, full-scale efforts are being made to prevent other communicable diseases such as diphtheria, whooping cough, smallpox, and typhoid-like diseases. Against these diseases our native population gets at least as good protection as that given any group in Canada...."

SOME SIGNIFICANT DEVELOPMENTS IN THE R.C.A.F.

MINISTER'S ADDRESS: The Minister of National Defence, Mr. Claxton, addressed No. 1 Radar and Communications Unit, R.C.A.F., at the Unit's Headquarters, in Montreal, on February 15. He lauded the work of the Unit, reviewed the contribution of Canadians to radar protection during the Second World War, and, in conclusion, gave what he described as "some significant developments in the R.C.A.F." His summarization was, in part, as follows:

"The bringing of No. 1 Radar Squadron to a strength of 490, successfully launches a new type of reserve unit.... In addition to the headquarters operational and training centre in Montreal, the unit has or is to have air control and warning detachments in Ste. Anne de Bellevue, Sherbrooke, Quebec, Shawinigan, Three Rivers and St. Johns.

"Montreal will be followed by other radar units, particularly in Halifax, Toronto and Vancouver.

"R.C.A.F. reserve activities which had heretofore been almost entirely concentrated on auxiliary squadrons will be broadened to include the formation of units for training a variety of key personnel in both technical and administrative trades.

"Of the 11 squadrons authorized, 10 are in active operation and the 11th will become active this year. Good progress is being made with recruiting of air crew and ground crew as well as with training....

"It would serve no good purpose to publish locations either of existing or projected radar sites. All publicity tending to reveal

such information must be of value to any prospective enemy whose planes, knowing the areas in which to expect radar detection, could choose a route calculated to postpone that detection as long as possible, and achieve the advantage of surprise.

"Extensions of the kind described will have to be geared to provision of accommodation and equipment.

"The twin-engine jet all-weather fighter, the CF-100, being flight-tested at Malton, is the most powerful fighter known, with range and navigational instruments specially designed to meet Canadian conditions, and this aircraft may put Canada ahead of any nation in meeting similar requirements. Even in advance of testing, a pre-production order has been placed to provide for tooling and the manufacture of parts.

"Work is proceeding satisfactorily on the order of 100 F-86A's being built by Canadair Limited.

"The production of these two military types and the jet transport, taken with the production of three types of conventional planes and considerable activities in several plants, supports essential air industry in Canada.

"To supplement the radar equipment of the last war, orders have been placed with Canadian industries for new equipment of the latest and most powerful types.

"Canada's emphasis on Air Force is shown by the proportion of the money appropriated for the three services spent on air as follows: U.K. 29%; France 30%; U.S. 34%; Canada 42.6%."

FOREIGN EXCHANGE LAW INFRACTIONS: Fines and forfeitures totalling \$90,397 were imposed for infractions of Foreign Exchange Control regulations during the year 1949 it was announced on February 15. The total included 1,065 seizures of \$100 and under made by customs officials and 32 by R.C.M.P. personnel, amounting to \$33,726. Nine seizures totalling \$18,882 were the subject of actions in the Exchequer Court, which deals with all seizures of over \$100. In eight cases the Court ordered forfeiture of the goods or currency involved. One action was dismissed.

A total of 206 men and women were charged with offences under the Foreign Exchange Control Act and 201 convictions were obtained. Thirty-eight women and 163 men were fined a total of \$37,943 for various offences involving foreign exchange.

Of the 201 convictions registered during the year, 164 involved attempts to evade travel restrictions. One hundred and three cases involved attempts to take more currency across the border than allowed by law or shown on travel permits. Forty-one men and women were convicted on charges of purchasing more

than the amounts authorized for pleasure travel:

MR. CHEVRIER ON RAILWAY OUTLOOK: "Forthcoming developments which will take place in Canada in the next 15 years are more than sufficient to ensure a healthy rail situation," according to the Minister of Transport, Mr. Chevrier. Addressing members of the Board of Trade Club of Toronto on February 20 he urged them to "think seriously of the problems of transportation with a view to rectifying the unsatisfactory trend which has developed in recent years".

The Minister pointed out that "Canada has grown industrially by leaps and bounds in the last ten or so years," and that during that time industrial production had more than trebled and the number of industrial plants had increased from 24,800 to 32,700. He listed the St. Lawrence Deep Waterway project, the Quebec-Labrador and the Steep Rock iron ore deposits, mineral discoveries in Quebec and Manitoba and development of the oil fields in Alberta, as potential creators of traffic for the railway transportation industry.

WHEAT BOARD REPORT: The Acting Minister of Trade and Commerce, Mr. MacKinnon, issued the following press release summarizing the Annual Report of the Canadian Wheat Board, crop year 1948/49, which was tabled in the House of Commons on February 21:

During the crop year 1948/49 Board receipts of wheat amounted to 293.0 million bushels, all of which was sold or committed for sale prior to the harvesting of the 1949 crop.

The Board Report refers to some difficulty in selling Canadian wheat in the winter and early spring of 1948-49, but states that demand improved considerably in the final quarter of the crop year.

The world wheat situation in 1948-49 reflected:

- (a) Increased production of wheat in Europe, with yields approaching pre-war levels;
- (b) Ample wheat supplies available in exporting countries;
- (c) The intensity of United States competition, particularly in Continental Europe where large quantities of U.S. wheat were imported under E.C.A. financing;
- (d) Increasing difficulties in financing international trade.

During the first four years of the Five-year Pool, Board receipts of wheat amounted to 1,115,397,588 bushels. Of this quantity of wheat, 1,068,594,279 bushels had been sold as at July 31, 1949, leaving a balance of 46,803,308 bushels in inventory as at that date. This inventory consisted largely of wheat which had been committed for delivery after July 31, 1949.

The cost of wheat acquired by the Board in the four years ending July 31, 1949 was \$1,907,177,178.99 while sales for the same period amounted to \$1,835,982,298.15 of which \$1,823,982,298.15 was applicable to the Five-year Pool and \$12,000,000 to the 1944 Crop Account. Inventory of 46,803,308 bushels on July 31, 1949 was valued at \$93,200,829.48.

For the four years from August 1, 1945 to July 31, 1949, the Board's operating costs applicable to producers' wheat, including storage costs, interest and other expenses, amounted to \$46,037,726.56. Of these operating costs the Board recovered \$30,796,156.55, mainly in carrying charges (storage and interest) on domestic wheat and wheat for the United Kingdom. Administrative and general expenses, exclusive of adjustment payment costs, amounted to \$3,847,809.07, or .3449 cent per bushel on the total wheat acquired.

On April 1, 1949 the Board's initial price was increased from \$1.55 per bushel to \$1.75 per bushel basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. This increase in the Board's initial price was retroactive to August 1, 1945 and involved the distribution of \$213,445,541.88 to producers

delivering wheat to the Board between August 1, 1945 and March 31, 1949. After providing in full for this payment, the Board had an operating deficit of \$5,235,621.37 in the Five-year Pool as at July 31, 1949. It was apparent that such a deficit in the five-year pool would be overcome in the present crop year which is the final year of the pool, because the initial payment had been set at \$1.75 and sales to the United Kingdom and the Domestic market were firm at \$2.00 per bushel plus carrying charges....

UNEMPLOYMENT STATEMENT: On February 2, 1950, there were 375,600 persons seeking work through National Employment Service Offices, 120,000 more than a year ago. The current figure represents 7.4 per cent of the present Canadian labour force of about 5,100,000, the Department of Labour announced on February 17.

It is estimated that there are at least 10,000 persons in this total who already have jobs but who have registered in the hope of improving their position. There are, however, some unemployed persons who are not registered with the N.E.S. These include a proportion of those who have exhausted their unemployment insurance benefit rights or who have failed to qualify, and unemployed persons in the non-insured categories, the statement continues.

Of the job seekers registered with the National Employment Service, a higher proportion is in a position to claim and receive unemployment insurance benefits than was the case last year. It is estimated that 85 per cent of all unplaced applicants were either receiving benefits or waiting for their claims to be processed. Benefit payments during January totalled \$11,780,000.

According to the U.S. Census Bureau, unemployment in the United States during the second week of January reached 4,500,000 or 7.2 per cent of the estimated civilian labour force of 61,400,000. The number of persons out of work increased by almost 1,000,000 from the previous month. These unemployment statistics for the U.S. are not entirely comparable to Canadian figures on the number of persons registered for work at N.E.S. offices. According to the same definition of unemployment, the Canadian percentage would tend to be somewhat lower.

The current Canadian unemployment situation is in a large measure temporary. Unfavourable weather, particularly in British Columbia, and a more pronounced seasonal decline in construction, transportation and trade are the main factors responsible for the increase in the number of persons looking for jobs during January and early February. High log inventories have also contributed to lower employment in the woods in Eastern Canada this year.

Speaking after Mr. Drew, but before Mr. Coldwell, the Prime Minister answered seriatim the points of the Progressive Conservative proposed amendment. He said that current unemployment was largely seasonal; that Canada now had the largest labour force in history, totalling more than five million men and women; and discussed at length the factors enabling Canada to maintain "such an exceptionally favourable position" in the face of present world difficulties, Canada's gains, he said, were striking in themselves, and striking in comparison with what had happened in other countries.

"The economic outlook for 1950," he said, "is one of continuing general buoyancy, but with an increasing number of special industrial and associated area problems.... The forecast this year is for a gross national product of about \$16.25 billion, as compared with the record hitherto of \$16 billion in 1949."

He said that a word of warning should be sounded about the effectiveness of a public works programme as a cure-all for unemployment. Such a programme necessarily operated through the construction industry. Ever since 1945 that industry had enjoyed a high level of activity, and indications were that private enterprise would keep it very active throughout the whole of 1950. Any unnecessary competition by the Government with private enterprise for available supplies and available skilled labour would not appear to be very helpful in increasing over-all employment in that industry.

Touching on the points of Mr. Drew's proposed amendment, he said that there had been no change in the attitude of the Government to old age pensions. He had said that contributory old age pensions, like health insurance, required an agreement with the Provinces, and so far it had not been possible to reach such an agreement. Another conference with the provincial authorities was to take place early in the fall. He announced that the House would be asked to set up a committee to look at all aspects of the problem. He thought the only practical way in which an old age pensions scheme without a means test would be provided for, was through a direct contributory system.

Dealing with the fourth item of the proposed amendment, the Prime Minister read the following published statement made by the Minister of Justice on the subject of espionage:

In considering our security position now and what it might be in the event of another world war we can reach certain conclusions from what has happened in other countries, and from the attitudes of some of our own citizens and residents in Canada itself. In several countries, espionage, infiltration, sabotage and fomenting of discontent and disaffection, the staging of coups d'état have been used as weapons of war. In our own country we have those who have given repeated demonstration of their unsympathetic and disloyal attitude

towards our institutions and our form of government.

'Those of us who have some share of responsibility for security take cognizance of these and other facts and have already taken measures to guard against them. But just as those who plot against the security of Canada do not discuss their plans in the forum or from the house-tops, so we who prepare counter-measures to frustrate their plot could make few greater mistakes than to specify and advertise what we have done and what we are prepared to do. To follow this course would transform our security measures into their very opposite.'

He proceeded: "With respect to communist activities, in our understanding, measures are other things than mere words, and we think that actions speak louder than words. When action was required, action was taken; and I was obliged to submit to fairly severe criticism from the other side of the house for the action that was taken. I did not regret it then and I do not regret it now. But when action requires to be taken, we think that we shall have the courage, as we had then, to take it and to carry it to its full implementation."

The Leader of the Social Credit Party, Solon E. Low, Peace River, was the fourth party leader to speak in the debate. He urged the adoption of his party's financial theories as a means of increasing purchasing power.

DELEGATES TO ILO CONFERENCE: The Minister of Labour, on February 16 released the names of Canada's delegates on an International Conference of Experts on Pneumoconiosis, called by the International Labour Organization and meeting in Sydney, Australia, from February 28 to March 11.

The Canadian delegates will be C.A.L. Murchison of Ottawa, Commissioner, the Unemployment Insurance Commission, Dr. G.R. Davison of Edmonton, Department of Public Health of Alberta, and Dr. C.H. Vrooman, Medical Referee for Silicosis of the Workmen's Compensation Board, Vancouver.

Mr. Murchison will go to the conference from New Zealand, where he has been attending a session of the I.L.O. Committee of Social Security Experts.

The purpose of the conference is to discuss the fight against occupational diseases caused by the inhalation of dust. It will be attended by expert delegates from eleven countries, as well as by five international experts nominated by the I.L.O.

MR. PEARSON ON THE FAR EAST: The Secretary of State for External Affairs, Mr. Pearson, in the House of Commons, on February 22, spoke at considerable length on the Far Eastern situation. Full report of his remarks will be carried in next week's Bulletin.



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WEEK'S EVENTS IN REVIEW

MR. ST. LAURENT'S N.Y. SPEECH: The reduction of United States tariff and other trade barriers "might make a tremendous contribution to the security of the free world generally and the United States in particular," the Prime Minister, Mr. St. Laurent, said in an address to the Canadian Society of New York on February 10.

After a review of events leading up to the North Atlantic Treaty, Mr. St. Laurent proceeded as follows:

"... The North Atlantic Treaty organization has been established and we are faced with new problems. The Treaty itself asserts that the North Atlantic community is not just a military alliance; the North Atlantic nations have undertaken to combine their economic, social and moral strength as well as their military resources. And if the North Atlantic Treaty is to be an effective deterrent to aggression, that combination of strength must apply in all those spheres.

"Of course, the first requirement is sufficient armed strength to prevent any sudden overwhelming blow from destroying all power of effective resistance. But in these days, when weapons become obsolete so quickly, the North Atlantic Nations could probably make no greater mistake than to concentrate on piling up armaments to the point where they become a dead weight on our national economies.

"We are accustomed to think of this 'cold war' as a struggle between two ways of life,

an ideological struggle. Of course, it is that. But there is another way of looking at it. It is also a competition not so much in piling up armaments, as in the development of military potential.

"Once we appear to have sufficient strength to prevent a sudden knock-out blow, the calculations of any potential aggressor are apt to turn from arms-in-being to estimates of respective staying power. Important though it may be not to lose the first battle, it is far more important to remain able to win the last one. And staying power in the final analysis depends on whether we can maintain - not just in the United States, not just in North America, but in the whole North Atlantic community - a healthy, progressive and dynamic society.

"Almost all of us in North America believe that free economies, like ours, can produce greater wealth - and distribute it more fairly - than totalitarian societies. But the mere conviction will not be enough; we must continue to demonstrate that the facts justify our belief.

"Now I am convinced that all the North Atlantic Nations signed the Treaty in good faith and that all wish to do their part to give it reality. It is obvious however that European nations, with economies still shaky from the dislocation and devastation of aerial bombardment, prolonged enemy occupation, cannot yet give the same response as the relatively sheltered economies of North America.

DELEGATES TO GENEVA CONFERENCE: The Department of External Affairs announced on February 9, that the following officials will compose the Canadian Delegation to the fourth meeting of countries which are members of the General Agreement on Tariffs and Trade. This meeting opens in Geneva on February 23 and is expected to last four weeks. Mr. L.D. Wilgress, Canadian High Commissioner in the United Kingdom will head the Delegation. He will be assisted by Mr. Louis Couillard, Economic Division, Department of External Affairs; Mr. J.J. Deutsch, Director, International Economic Relations Division, Department of Finance; Mr. C.M. Isbister, Director, International Trade Relations Division, Department of Trade and Commerce; and Mr. H.R. Kemp, Special Trade Adviser, Department of Trade and Commerce.

By agreement between the member countries, the agenda of the Fourth Session cannot be made public at this time. The Canadian representatives, however, expect to take part in discussions on a wide variety of subjects which are governed by the General Agreement. Of these, probably the most important will be the question of import restrictions imposed by member countries for balance of payments reasons. Canadian representatives also expect to discuss the question of extending, for a further firm period, the tariff concessions exchanged at Geneva in 1947 and at Annecy in 1949. There will be no negotiations at the forthcoming meeting. There is bound to be, however, some discussion of the third round of tariff negotiations which will begin next September.

Under the terms of the General Agreement, the countries members to it, meet from time to time for the purpose of giving effect to those provisions of the Agreement which involve action and, generally, with a view to facilitating the operation and furthering the objectives of the Agreement. The forthcoming meeting is officially known as the Fourth Session of the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade.

The General Agreement was concluded at Geneva in 1947. It entered into provisional effect on January 1, 1948, and is now being applied by some twenty-four countries. It is expected that the membership will increase to thirty-three within the next few months, as a result of the tariff negotiations which were held under the General Agreement at Annecy, France, last year.

SMALL DECLINE IN EMPLOYMENT: The trend of industrial employment at the beginning of December was slightly downward for the second successive month, when the 20,798 employers co-operating in the Bureau's monthly survey reported 0.2 per cent fewer employees. This loss was accompanied by a similar decline in the weekly salaries and wages.

Based on the 1926 average as 100, the general index number of employment at December 1, 1949, stood at 201.5 as compared with 202.0 in the preceding month, and 204.3 at December 1, 1948, when the all-time maximum for that date was recorded. The index of payrolls, based on June 1, 1941 as 100, stood at 224.4 as compared with 224.8 at November 1, and 219.0 at December 1, 1948. Per capita weekly earnings showed little change, averaging \$43.82 as compared with \$43.80 at November 1, and \$42.23 a year earlier.

H.R. KEMP TRADE ADVISER: Improved facilities for the handling of external trade problems are expected to result from a reorganization within its Economic Research and Development Branch, according to a Department of Trade and Commerce announcement on February 9. Hubert R. Kemp, formerly Director of the Commercial Relations and Foreign Tariffs Division, has been raised to the position of Trade Adviser, and Dr. Claude M. Isbister, succeeds him as Director of the International Trade Relations Division, the new name for this Division.

Mr. Kemp's principal function will be the consideration of commercial problems arising from the increasing importance of Canada as a trading nation and the complexity of these problems. He will be responsible for the preparation of studies on international trade developments, and the interpretation of these developments in accordance with Canadian trade policy for the guidance of other officers in the Department, including Trade Commissioners in training and those serving abroad. His extensive knowledge of tariffs and trade practices, his participation in the negotiation of trade agreements with foreign countries, and experience gained at international conferences in London and Geneva for the preparation of a General Agreement on Tariffs and Trade qualify Mr. Kemp for the position to which he has been appointed.

In the establishment of an International Trade Relations Division, the former functions of the Commercial Relations and Foreign Tariffs Division will be expanded to provide a closer study of international trade agreements and the implications to Canada of the tariffs and trade practices of other countries. Emphasis will be placed on research and information relating to current developments in the international trade picture and to the effect of these developments on the Canadian economy as a whole, as well as on Canada's domestic and foreign trade.

PACIFIC TRAINING CRUISE: Three ships of the R.C.N.'s Pacific Command will sail from Esquimalt on March 2 on a month-long training cruise which will take them to Mexican and Californian ports, it was announced at Naval Headquarters on February 10.

Headed by the cruiser HMCS "Ontario", the training force will also include the destroyers "Cayuga" and "Sioux". The cruise will mark the first extensive voyage for the "Sioux"-the Navy's habitability "guinea pig" - since being fitted out with messing and sleeping arrangements unique in destroyers of the Canadian and British Navies.

The training cruise is the second phase of the Royal Canadian Navy's spring sea-training program. On February 13, HMC Ships "Magnificent", "Micmac" and "Swansea" sail from Halifax for exercises in Atlantic and Caribbean waters.

First port of call during the Pacific cruise, which will cover more than 5,000 nautical miles, is San Diego, California, where the ships will refuel during a one-day stop-over on March 6. They then shape a southerly course for Magdalena Bay, Mexico, where they will carry out boat-work, seamanship and general training evolutions during a week in the sheltered waters of the Bay.

On March 17 the training force sails north, with the destroyers putting into Manzanillo, Mexico, on March 18 to refuel. Highlight of the return voyage will be a night encounter exercise which takes place following a departure from Manzanillo.

The ships will spend three days in Long Beach, California, from March 27 to 30, before beginning the last leg of the cruise. They are slated to return to their Esquimalt base on April 3.

MR. ABBOTT URGES FREER TRADE: The Minister of Finance, Mr. Abbott, addressed the Annual Meeting of the Canadian Section of the International Chamber of Commerce in Montreal on February 9. The following is an excerpt from his speech:

"...Canada is today the third most important trading nation -- on a per capita basis I believe it is the first. It is probably fair to say that few countries are more dependent on trade than we are. Moreover, this dependence is firmly rooted in the very nature of our natural resources and our industrial structure...."

"Given the basic features of our economic structure and the heavy dependence on trade, I believe that the only appropriate policy for Canada with respect to tariffs and other trade barriers is to get them down to reasonable levels and keep them down, both here and abroad. This does not mean free trade in the classical sense -- but it does mean freer trade.

"I believe that the prosperity of Canada as well as other countries will be fostered, if by removing excessive trade barriers, countries will specialize in the production of the things they are good at and exchange them for the goods that other countries produce more cheaply. For this reason we must encourage by every means at our disposal policies and

practices which make possible the broadest exchange of goods.

"Of course this means that we must in our own country practise what we preach. I think that Canada has in the main practised a reasonable and moderate tariff policy -- with the exception of a short period during the great depression of the thirties...."

REINDEER HERDS A BOON: The Minister of Resources and Development, Mr. Winters, says that Canada's reindeer herds in the Western Arctic have been a boon to the authorities fighting the recent measles epidemic among Indians and Eskimos in that area. The enforcement of quarantine and the fact that many natives have been prevented by illness from hunting and fishing made it imperative that food supplies should be forthcoming from other sources. The presence of reindeer herds in the region has been of great value in augmenting immediately available food and particularly in providing fresh meat.

In addition to the 100 reindeer carcasses donated each winter to mission hospitals and residential schools at Aklavik, another 50 carcasses were made available for immediate distribution to natives in the area and more reindeer will be slaughtered if and when the need arises. This is being done without unduly depleting the basic reindeer herds, now numbering nearly 7,000 head.

At present there are three herds in the area east of the Mackenzie River delta near the Arctic Coast. The main herd is under the management of officers of the Department and two smaller herds are under native management with government supervision. It is hoped to establish additional herds under native management as soon as suitable personnel can be trained and sufficient reindeer are available.

The availability of this fresh meat supply in an emergency is an example of the benefits which can accrue from the development of reindeer herds throughout these Arctic regions. It will also help to diminish the pressure on wildlife resources in the area and act as an insurance against food shortages due to periodical scarcity of game.

CANADA EIGHTH IN FISHERIES: The Canadian fishing industry was enlarged to a considerable extent during 1949, by the entry of Newfoundland as the tenth Province. Latest available statistics indicate that Canada's position among producing countries is strengthened but that she still remains eighth in order. However, in 1948 Canada and Newfoundland together stood in the front ranks, as far as the value of exports of fisheries products are concerned. The contribution of high priced species such as salmon, halibut, lobster, whitefish, etc., accounts for this result.

PRODUCTION LEVEL HIGHER IN 1949

BANK OF CANADA REPORT: A continued high level of production and relatively unchanged price levels were the main features of Canadian economic life in 1949 according to the Annual Report of the Bank of Canada issued on February 13 by Graham Towers.

In presenting the Bank's Annual Statement of Accounts to the Minister of Finance, Mr. Towers reported that the physical output of all goods and services was nearly 3% higher than in 1948. Upward price pressures largely disappeared for the first time since the beginning of the war. The wholesale price index declined about 2% and the cost of living index rose about 1%.

Although the general economic situation was good in 1949 the Report pointed out that in certain respects the picture had not been completely satisfactory. The physical volume of our exports was 3% less in 1949 than in 1948. Unemployment was somewhat above the very low level of 1948 and undoubtedly there had been some difficult situations in particular localities and industries.

Mr. Towers compared economic conditions in the United States and Canada during 1949. "Changes in U.S. business conditions normally exercise a very strong influence on the Canadian situation," the Governor commented. "It is a matter of some interest, therefore, that there should have been a sharp contrast between the trends evident in the two economies during 1949".

Canada, he said, did not show any serious effects from the "rather sharp recession" which took place in the U.S. The continued

high level of economic activity in Canada could be attributed in part to the fact that the accumulation of war-time demand for goods and services in Canada was worked off more slowly, and a more gradual process of decontrol after the war had spread the upward pressure on prices over a longer period of time. In addition, there was the strength imparted to our economy by the resource discoveries of recent years. The pickup in the level of United States economic activity during the latter months of the year had erased a considerable part of the divergence which appeared during the first half of the year.

The growth of the Canadian economy was highlighted in the Report by a comparison of figures for 1948-9 and 1928-9. The volume of personal consumption was about 80% greater on the average in 1948-9 than 20 years ago. After allowing for the increase in population, the increase in physical consumption per capita was about 39% in this period.

In reviewing monetary conditions during the year, Mr. Towers noted that there had been a small increase in Money Supply and on balance some decline in public holdings of other liquid assets. The increase in chartered bank loans and non-Government investments in 1949 was considerably less than in recent years. There was a large volume of non-Government security issues during 1949 which was absorbed by public investors rather than the banks whose holdings of such investments showed some decrease on the year.

LIVING COSTS LOWER: Cost-of-living indexes for six of the eight regional cities moved lower during December. Declines in the food indexes were mainly responsible and reflected principally sharp drops in eggs coupled with small recessions in pork products. Clothing price indexes were generally easier at most centres while homefurnishings and services presented mixed changes. Indexes for miscellaneous items were higher, reflecting the results of annual surveys of commodities and services which are generally of a stable price nature. These included drugs, hospital charges, doctors' and dentists' fees, newspaper rates and barbers' fees. Indexes for rents were unchanged since they were not surveyed in January.

J.R.B. COLEMAN APPOINTMENT: The Minister of Resources and Development, Mr. Winters, has announced the appointment of J.R.B. Coleman as Assistant Controller of the National Parks and Historic Sites Services. Mr. Coleman is

a forester with the Forestry Branch of the Department.

NOVEMBER LABOUR INCOME: Estimated total of salaries and wages and supplementary labour income in November stands at \$661,000,000, showing a decline of \$2,000,000 from the preceding month, but \$29,000,000 or about five per cent above November, 1948. This brought the aggregate for the first 11 months of the year to \$6,988,000,000 against \$6,499,000,000 in the similar period of 1948, an increase of 7.5 per cent, the Bureau of Statistics reports.

Labour income in agriculture, logging, fishing, trapping and mining in the month was down to \$51,000,000 from \$53,000,000 in October and \$56,000,000 a year earlier. The 11-month total for this group was also lower at \$539,000,000 compared with \$570,000,000 in the same period of 1948.

In manufacturing, labour income totalled \$218,000,000, down \$1,000,000 from October, but \$4,000,000 higher than in November, 1948.

And the restoration of genuine economic security to the European partners in the North Atlantic alliance is one of the most effective means of achieving military security and ultimately of reducing the burden of providing that security.

"Looking no farther than this continent, there is naturally bound to be considerable difference between what a great power like the United States and a nation like Canada, with a much smaller population, can do to give reality to North Atlantic security. In many ways the two countries are similar; but in many ways they are quite different. And I believe it is quite as important to understand the differences as it is to appreciate the similarities, if we expect to maintain that mutual feeling that we are all of us being absolutely fair to each other.

MOST POWERFUL NATION

"As the most powerful nation on earth, the United States has world-wide interests and responsibilities that Canada does not share. Moreover, in population the United States is about 150 millions to our thirteen and a half; in developed wealth and in annual national income the difference is considerably greater. On the other hand, Canada is physically a larger country than the United States - a good deal larger in square miles.

"That means we have a very heavy national overhead. Take railways as an example.... And so it goes, all through the Canadian economy. Compared with the United States, we have to use a far larger proportion of our national wealth to maintain those essential services which keep a country going. As a result we in Canada have never been able to equal the American standard of living, though by dint of hard work we have kept not too far behind.

"Then there is another great difference between Canada and the United States. The United States, it is true, has vast problems of conservation, but this country has passed the pioneering stage, while with us in Canada, a large part of our national estate is still waiting to be opened up. If Canada is to achieve its highest economic and military potential, the development of new natural resources must be pushed ahead rapidly, and that means heavy capital outlays from our annual production of wealth.

"Then there is another big difference. For the United States, with its mature and largely self-sufficient economy, foreign trade is, relatively, much less important than for Canada which is at an earlier stage of economic development. We need to attract capital from outside Canada, and because of the nature of our resources we are heavily dependent on external trade. All that means our economy - and our prosperity - are more vulnerable than the economy of the United States.

"This dependence of Canada on world trade, and the vulnerability to which it gives rise,

are more serious because of another factor in our situation. Canada has a large favourable balance of trade with Western Europe and a large unfavourable balance with the United States. And that means for us an exchange problem which the United States does not have.

"In the past decade, we have experienced what is almost an industrial revolution in Canada; but by the standards of your nation of 150 millions our industry is still on a small scale. The production of the whole range of modern armaments on a large scale is obviously beyond our capacity. What we must have, if we are to make our most effective contribution to our joint security, is specialization on the manufacture of a limited number of items coupled with the kind of reciprocal arrangement we had with the United States during the war.

HYDE PARK DECLARATION

"Under the so-called Hyde Park Declaration of 1941, each country produced for the other those armaments it was best fitted to produce. Each of us paid hard cash for the other's product, but we were better able to pay you because we were able to sell munitions and weapons to you. The Hyde Park arrangement involved no loans, no gifts, no charity - nothing but plain business sense. And we in Canada cannot see why a business arrangement which produced such good results for both countries in war should not produce equally good results in providing security during this period of the cold war.

"In maintaining an effective security system there is this kind of a problem the North Atlantic nations are apt to have to face in the next few years. The more effective the North Atlantic Treaty proves to be in pushing back the menace of aggression, the more difficult it will be to ensure that the people of the free nations will remain willing to pay the insurance premiums necessary for their security.

"We shall probably hear, in all the North Atlantic countries, a good deal of grumbling, and perhaps some invidious comparisons about the share of the burden each nation is ready to bear. I hope none of us is going to be too much worried by such grumbling or even by invidious comparisons. Free debate, after all, is the privilege of free peoples. By contrast, the unhappy people of Poland, of Czechoslovakia, of Hungary and of Russia, are not permitted even to grumble out loud about having to bear a heavy share of the upkeep of the iron curtain.

"To maintain the security of the North Atlantic community, each nation must clearly make the kind of contribution it is best fitted to make by history, by geography, by aptitude and by resources.

"Since economic strength is the essential foundation of genuine military strength, it follows that one of the main objectives of the

North Atlantic nations is to keep their economies strong so that they can make their contributions towards maintaining the peace without impairing their ultimate staying power.

"I think we all hope and believe that can be done and that international security need not mean any reduction in the economic efficiency of this continent nor even in the North American standard of living. There has been such a great increase in our productivity on this continent that our material standard of living has continued to rise despite all we have thus far expended on defence or contributed to European recovery.

MARSHALL PLAN ASSISTANCE

"The massive assistance of the Marshall Plan to the economic recovery of Europe has been quite as important a contribution to our common security as the North Atlantic Treaty itself. And we can understand the emphasis your public men are laying on the importance of removing barriers to the trade of our European allies with each other.

"But I do not think we can afford to lose sight of the fact that it is even more important to the economic strength of the free world that the European countries and, indeed, all countries suffering from a dollar shortage, should also be able to export as freely as possible to North American markets. It is, after all, only by accepting imports from other continents that we in North America can hope to reduce the real cost to ourselves of our contribution to the common security of the free world. And it is only by accepting imports that we can hope to provide stable and profitable markets outside our continent for these agricultural and other surpluses beyond our own needs which both our countries do actually produce.

"Canada, in this matter also, is in a somewhat different position than the United States. Though we still export rather more than we import, our over-all exports and imports are not too far from a balance. But, as I have already said, we in Canada import from the United States far more than we export to this country, and we export to Europe far more than we import from Europe. That is why Canada, too, has a dollar problem. We, therefore, have a special interest in freer multilateral trade and though I am not an economist, that seems to me to mean freer entry to this country both for European exports and for our own.

"I would not venture to advocate the reduction of tariff and other trade barriers as any special favour to us. But it does seem to me that such a policy might make a tremendous contribution to the security of the free world generally and the United States in particular.

"A century ago, England found herself in much the same position the United States has today. England was then the greatest industrial nation, the wealthiest nation and, therefore, the greatest potential market. She opened that great market freely to the world and, whether

as a result or merely as a coincidence, the world - herself included - enjoyed more than half a century of comparative peace and economic progress.

"Might it be possible that history has there a lesson for this continent and this country at the mid-point of the twentieth century?...."

ICAO PARIS MEETING: An attempt to fill in the existing gaps in the world network of upper air weather reporting stations will be made by the International Civil Aviation Organization's Meteorological Division, whose third session began in Paris on February 14.

ICAO officials point out that, with modern airliners now flying on scheduled routes through the upper atmosphere, a better knowledge of weather conditions there has become necessary. Most upper air reports are obtained from radiosonde balloons, unmanned balloons carrying special radio equipment which send back weather reports as they climb. The radiosonde networks in Western Europe and in North America are reasonably complete, but in some regions of the world there are only two or three radiosonde stations for an entire continent. Major difficulty is financial; it costs as much as \$30,000 per year to operate one radiosonde station.

The ICAO Meteorological Division will also investigate the available knowledge of the physical conditions of layers of the atmosphere which will be used by jet aircraft. Sudden gusts (sometimes known to the passenger as "bumps") have increasingly violent effects as the speed of flight increases. With the introduction of jet aircraft flying at very high speeds, it becomes more important to have the fullest possible knowledge of the character of the gusts in order that they may not take pilots by surprise. Study of the physics of the upper atmosphere may help in improving the possibilities for predicting under what conditions gusts can be expected at various levels.

A number of additional items also are on the agenda.

1949 FARM PRICES LOWER: Farm prices of Canadian agricultural products moved lower in 1949 for the first time since 1939, the annual average index number, on the base 1935-39, showing a slight decline from the all-time high annual average figure of 252.6 in 1948 to 251.3. For 1947 the index stood at 212.5 and for 1946 at 200.8, while for 1939 the average was 91.8. The index for December, at 246.8, was slightly above the November figure of 245.9, but down from the December 1948 index of 259.9.

There were declines in 1949 from 1948 in the prices of grains, dairy products, potatoes, vegetables and furs, but increases in livestock, poultry, and eggs, fruits, tobacco and maple products.

1949 TRADE BALANCE \$261,200,000

IMPORTS AT NEW PEAK: Canada's foreign commodity trade was maintained at high levels during 1949. Trade returns for the 12 months show total exports down only slightly in value from the all-time peak established in 1948, while imports into Canada reached a new record value.

Total exports -- domestic and foreign -- to all countries were valued at \$3,022,500,000 as compared with the record value of \$3,110,000,000, in 1948, the moderate decline in the total being due mainly to a reduction in the aggregate value of exports to dollar-short European countries. Total merchandise imports were valued at \$2,761,200,000, up \$124,300,000 or 4.7 per cent over the previous peak of \$2,636,900,000 for 1948. Most of the rise in imports was in the earlier part of the year. During the latter months there were appreciable declines in the volume of imports as well as some declines in value.

Total exports to the United States last year also set a new record at \$1,524,100,000, up slightly from \$1,522,200,000 in 1948, when the value increased nearly 50 per cent over the previous year, the movement of goods across the border being particularly buoyant in the last two months of the year. Imports from the United States increased \$146,100,000 from \$1,805,800,000 in 1948 to \$1,951,900,000, but at the latter level were still short of the exceptionally high total of \$1,974,700,000 in 1947 when prices were lower.

Increases in purchases from the United States over the previous year were largest in the first seven months of 1949 and tapered off from August to October. In November and Decem-

ber there were decreases, indicating a decline in volume since the values were in terms of devalued Canadian dollars.

In trade with the United Kingdom, both exports and imports were higher in value last year than in 1948. Total shipments to the United Kingdom were valued at \$709,300,000 as against \$688,700,000 the previous year, and imports from the United Kingdom at \$307,400,000 as compared with \$299,500,000. Values of imports from the United Kingdom were generally higher during the first eight months of the year, and lower in the last four. Volume of imports in the closing months of the year, however, was greater than the value figures indicate because of the effect of the devaluation of sterling on the Canadian dollar value.

Canada's overall credit balance on commodity account, due to the rise in imports, declined last year to \$261,200,000 as compared with \$473,100,000 in 1948, but was above the credit balance of \$237,800,000 in 1947. Most of the decline in the export balance from the previous year occurred in the earlier months of the year. November and December saw large export balances, totalling \$130,800,000, or approximately one-half the year's total balance.

Due to the greater increase in imports than exports, Canada's debit balance with the United States increased in 1949 to \$427,800,000 from \$283,600,000 the previous year -- accounting for about two-thirds of the decrease in the overall credit balance -- but was less than half the adverse balance of \$918,100,000 in 1947.

AIR AGREEMENT WITH NORWAY: The Department of External Affairs announced on February 14 that a Bilateral Agreement for Air Services between Canada and Norway was signed on that afternoon in Ottawa. The Minister of Transport, Mr. Chevrier, signed on behalf of Canada, while His Excellency Daniel Steen, Minister to Canada for Norway, signed on behalf of his Government.

This Agreement is similar to the previous Agreement concluded by Canada with Sweden in 1947 and with Denmark in 1949 and provides for the direct carriage of traffic between Canada and Norway. Gander, Newfoundland, has been designated as the airport in Canada at which Norway may exercise its traffic rights.

An airline owned by the Government of Norway is a partner together with a Swedish and a Danish airline in the pooled Scandinavian Airlines System. This joint company has already been operating into Canada by virtue of the earlier Agreements concluded with Sweden and Denmark.

WAGE LEVELS AT NEW HIGH: Average weekly wages paid to hourly-rated wage-earners employed by leading Canadian manufacturing establishments reached a new high figure of \$42.86 at December 1 as compared with \$42.59 at the beginning of November and \$41.47 a year earlier. In the heavy manufactured class the latest figure was \$42.66 compared with \$46.22 at November 1 and \$45.18 at December 1, 1948, while in the non-durable division the average was \$39.25 against \$39.21 at November 1 and \$37.80 a year earlier.

Hourly earnings in manufacturing were also at a new high average of 99.9 cents, 0.4 cents above November 1 and 3.9 cents higher than at December 1, 1948. In durable manufactured goods the average was 108.5 cents compared with 108.0 at November 1 and 104.1 at December 1, 1948, and in non-durable manufactured goods it was 91.5 cents compared with 91.4 cents at November 1, and 87.7 cents a year ago.

The average work-week was 42.9 hours compared with 42.8 at November 1, and 43.2 at December 1, 1948.

SECOND SESSION, TWENTY-FIRST PARLIAMENT

SPEECH FROM THE THRONE: The Second Session of the Twenty-First Parliament opened on February 16. The portion of the Speech from the Throne, read by the Governor General, Viscount Alexander, which dealt with international affairs and with impending legislation, was as follows:

"In the international sphere, our country continues to give full support to the Charter of the United Nations. A Canadian delegation is now attending a session of the Economic and Social Council to which Canada was elected at the last session of the General Assembly.

"The recent conference in Ceylon of the Foreign Ministers of the nations of the Commonwealth demonstrated that there is a continuing and substantial community of outlook among the nations of the Commonwealth both in the East and the West in their approach to current problems of foreign affairs.

"The measures for the preservation of peace and the restoration and maintenance of prosperity contemplated by the North Atlantic Treaty are being devised and applied as expeditiously as circumstances permit. The wholehearted co-operation of all the signatories to the Treaty is encouraging evidence of their determination to deter aggression by a combination of actual and potential strength calculated to remove the possibility of successful aggression.

"The cold war nevertheless still continues and imposes on all the free nations heavy burdens for the provision of defence forces and modern armaments. Preparedness to meet any sudden onslaught is essential and the means must be provided. But the free nations also face a test of endurance, and our staying power could be endangered by attempting to achieve complete preparedness at the expense of our adaptability to new developments in weapons and techniques of warfare or the efficiency of our social and industrial systems....

"The measure to consolidate existing legislation respecting our defence forces and to provide for a purely Canadian disciplinary code to be made applicable to all the forces will be re-introduced....

"Although a high proportion of persons temporarily unemployed are actually in receipt of Unemployment Insurance benefits, you will be asked to give consideration to a Bill to widen the scope and extend the benefits of Unemployment Insurance.

"Circumstances outside Canada have been responsible for some downward adjustments in the price of farm products. Measures have already been taken to reduce the impact of these adjustments. In order to provide authority for continuing price support to that end for the primary products of our farms and fisheries, you will be asked to amend the Agricultural Products Act, the Agricultural Prices Support Act and the Fisheries Prices

Support Act.

"Within the past year, the International Wheat Agreement has been brought into operation. In view of Canada's participation in that Agreement and the recent decision to market course grains through the Canadian Wheat Board, you will also be asked to consider a measure to renew the existing powers of the Board....

"Canadian representatives continue to participate actively in co-ordinated international efforts to bring about improvement in the underlying conditions of world trade. The Government is also pursuing policies designed to develop new markets for our products and to assist overseas customers to increase Canadian earnings. My Ministers will continue their efforts to secure reductions in trade barriers. To this end preparations are actively under way for further multilateral trade negotiations later in the present year.

"While prevailing exchange difficulties will require continued readjustments, we have reason to expect that our export trade as a whole will remain at a high level during the present year.

"You will be asked to give consideration to the legislation required to implement the policy concerning the control and the orderly decontrol of rents announced by the Government during your last session.

"A measure will be introduced to amend the Canada Shipping Act to incorporate changes suggested by the Safety of Life at Sea Convention of 1948 and to define duties of Canadian Consuls and conditions of registration in Canada of Canadian ships.

"You will be asked to consider a Bill for the revision of the Indian Act.

"A Bill will be submitted to substitute a uniform and systematic procedure for existing legislation concerning publication and tabling in Parliament of regulations and orders made by the Governor in Council or Ministers or other agents of the Crown in the exercise of powers conferred by statute.

"Bills will be introduced to implement the policies announced at the last session respecting prize money; the inclusion of veterans of British and allied forces within the scope of the War Veterans Allowance Act; and grants to municipalities in which there is an exceptional concentration of federal property.

"Other measures requiring your consideration will include Bills to amend the Militia Pension Act; the Criminal Code; the Government Annuities Act; the Post Office Act; the Consolidated Revenue and Audit Act; the Currency Act; the Trust Companies Act; the Canadian and British Insurance Companies Act, 1932; the Foreign Insurance Companies Act, 1932; the Customs Act; the Maritime Marshland Rehabilitation Act; and the Northwest Territories Power Commission Act."



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

RELAXATION OF IMPORT CONTROLS: Mr. Abbott, the Minister of Finance, on February 8 announced a programme of further relaxations of the import controls under the Emergency Exchange Conservation Act in two stages effective April 1 and July 1 respectively.

The changes effective April 1, 1950 are as follows:

1. All emergency exchange import restrictions will be withdrawn on printed labels of all kinds (Tariff Item 179); on all plumbing and bathroom fixtures covered by Tariff Item 433; on all cocoa products covered by Tariff Items 20, 20a, 21 and 22; and on all coffee products covered by Tariff Items 25a, 26, 27 and 29.

2. The following items now on the prohibited list, will be transferred to Category 4 of the quota list; glass ovenware and other heat resistant glassware (Tariff Item 326g), and electric light bulbs (Tariff Item 445b).

3. The import quotas for Category 2 (textiles) will be increased by 10 per cent, that is from the present 40 per cent rate to a 44 per cent rate.

4. Switzerland, the only European country on the list of scheduled countries, is being transferred to the non-scheduled list. This means that all imports of quota goods from Switzerland will be admitted under open general permit as from April 1, 1950.

5. The following items, now on the prohibited list, may be imported from non-scheduled countries under open general permit and from scheduled countries may be imported against existing Category 4 quotas: all paper products at present on the prohibited list under Tariff Items 181, 192, 193, 194, 197, 198, 199, 312, 509 and 711; genuine or imitation pearls (Tariff Item 648); and mineral wool (Tariff Item 689a).

The additional changes effective July 1, 1950, are:

1. Refrigerators, washing machines, radio receiving sets, gramophones, outboard motors, small boats (not designed for use with inboard motive power); show cases, pianos and organs will be taken off the prohibited list and included in Category 4 of the quota list. The quota percentage for Category 4 is 50 per cent of the 1946-47 imports.

2. All canned and frozen vegetables, soup preparations, dried fruits and fruit pulps, now on the prohibited list, will be transferred to Category 5 of the quota list. The quota percentage for Category 5 is 44 per cent of the 1946-47 imports.

3. The following items, now on the prohibited list, will be permitted entry from non-scheduled countries under open General permit and from scheduled countries against existing Category 4 quotas; electric dish-

362,451 IMMIGRANTS SINCE 1945

MINISTER'S STATEMENT: A total of 362,451 immigrants had entered Canada by the end of 1949 since the cessation of hostilities in Europe in 1945, it was announced on February 2 by the Minister of Citizenship and Immigration Mr. Harris.

This figure was made up of 160,848 from the United Kingdom, 38,828 from the United States, 45,720 members of northern European races, and 117,055 from other races. Of the total, 92,533 were Displaced Persons. More than 41,000 of these were brought to this country in group movements and have found places in Canada's expanding industry. Nearly 50,000 Displaced Persons joined relatives residing in Canada, and some 1,000 were orphan children who have been placed in homes in all parts of the country.

Immigrants to Canada during the calendar year 1949 totalled 95,217, a drop of 24.1 per cent from the total of 125,414 arrivals in 1948. Immigration from the United Kingdom declined 51.8 per cent, comparative totals for 1949 and 1948 being 22,201 and 46,057, respectively.

An increase of 4.9 per cent in immigrants from the United States was noted, 7,744 entering Canada during 1949, compared to 7,381 during the previous year.

Immigrants from northern European races numbered 17,439, a 2.8 increase over the 1948 total of 16,957. Approximately 7,000 members of Dutch Farm families came to Canada during

1949, increasing to 17,000 the number of Netherlands agriculturists who have been brought to this country since April 1947, through the Canada-Netherlands Farm Settlement Plan. These Dutch immigrants work for Canadian farmers until they can acquire land of their own, and many have already become established on their own farms.

Little change was indicated in the movement of citizens of France to Canada, the 1949 total of 1,021 being only slightly lower than the figure of 1,074 for 1948.

A decrease of 13.1 per cent in immigration of other races was recorded, the 1949 total being 47,833; against 55,019 in 1948. Italian immigrants numbered 7,742, an increase of 4,540 over the 3,302 arrivals in 1948. There were 12,233 Polish immigrants in 1949, only 1,566 fewer than during the previous year.

The destination by provinces of the 1949 arrivals was as follows: Ontario, 48,607; Quebec, 18,005; Alberta, 8,519; British Columbia, 7,847; Manitoba, 5,721; Saskatchewan, 3,664; Nova Scotia, 1,626; New Brunswick, 782; Prince Edward Island, 240; Newfoundland, 129; Yukon and Northwest Territories, 50.

The Minister stated that emigration from the United Kingdom and Western Europe had been made increasingly difficult by currency devaluation and exchange control measures, and that at present it was practically impossible for members of many other races in Europe to leave their countries.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION: Details of the organization of the new Department established to administer federal responsibilities in connection with Citizenship, Immigration, and Indian Affairs were announced on February 1 by the Minister of Citizenship and Immigration, Mr. Harris.

The Department of Citizenship and Immigration includes the Canadian Citizenship Branch and the Canadian Citizenship Registration Branch, formerly with the Department of Secretary of State, the Immigration and Indian Affairs Branches of the former Department of Mines and Resources, and a newly organized Administration Branch.

The Departmental organization is as follows: Minister: Hon. W.E. Harris; Deputy Minister: Laval Fortier.

Canadian Citizenship Branch: Director, Frank Foulds; Assistant Director, Dr. Louis Charbonneau. This Branch assists Provincial Departments of Education and national organizations and societies in the development of programs designed to help immigrants adjust themselves to the Canadian way of life. It also assists in the integration of the various ethnic groups which make up Canada's population.

Canadian Citizenship Registration Branch:

Registrar, J.E. Duggan; Assistant Registrar, Paul Deziel. This Branch administers the Canadian Citizenship Act, deals with applications from aliens wishing to become Canadian citizens, and issues certificates in proof of their status to Canadian citizens.

Immigration Branch: Director, A.L. Joffliffe; Commissioner, C.E.S. Smith. The Immigration Branch comprises the Canadian service, which includes five Immigration Districts and 293 ports of entry in Canada; the Overseas Service, which includes immigration offices in the United Kingdom, Continental Europe, and elsewhere; and the Settlement Service, whose members stationed in Canada and Europe provide up-to-date information and individual guidance to prospective immigrants.

Indian Affairs Branch: Director, D.M. MacKay. The Indian Affairs Branch administers the affairs of the 130,000 Indians in Canada. The Branch has five divisions - Administrative, Agencies, Education, Reserves and Trusts, and Welfare.

Administration Branch: Director, to be appointed. This branch will provide central services for the entire Department through five sections - Administration, Legal, Personnel, Purchasing, and Editorial and Information.

WAR MEMORIALS: Proposals for the commemoration of those members of His Majesty's Forces who fell in the Second World War with no known grave have been announced by the Imperial War Graves Commission after consultation with the Governments of the British Commonwealth.

Two of the proposed memorials, the announcement said, will be built in Canada, but no indication was given as to where they might be built or the form they will take. One will commemorate those members of the Royal Canadian Navy lost in action at sea, and the other those members of the Air Forces lost on active operations or during training in Canada and the United States of America.

The chief Naval Memorials, the Commission said, will be in the United Kingdom, linked with the memorials of the 1914/1918 War at Chatham, Plymouth and Portsmouth, and there will be three smaller memorials at Lee-on-Solent, Liverpool and Lowestoft in addition to the one in Canada and one in New Zealand.

The commemoration of the Armies will be by Campaigns, and most of the memorials will be in war cemeteries. In Europe, the sites chosen are Trondheim in Norway, Dunkirk and Bayeux in France, Nijmegen in Holland, Cassino in Italy, and Athens in Greece. Canadian soldiers are buried in both the Bayeux and Nijmegen cemeteries. The principal memorial in Africa will be at El Alamein. Others will be at Medjez-al-Bab, Hargeisa, Port Sudan, Mombasa and Diego Suarez. In Asia there will be memorials at two cemeteries in Iraq and Persia, at Beirut, at Singapore and at Saiwan Bay, Hong Kong. Canadian soldiers are also buried at Hong Kong.

The largest memorial to the Air Forces will be at Cooper's Hill, overlooking Runnymede, bearing the names of all those lost during operations from bases in the United Kingdom and Northwest Europe. Others will be in Malta, El Alamein and Singapore, as well as in Canada.

In the South and Southwest Pacific eight memorials will commemorate together those of the Land and Air Forces and Merchant Navies of Australia and New Zealand.

The form and site of the main memorial to the Merchant Navies remain to be settled, the Commission said.

CARLOADINGS: Revenue cars of freight loaded in Canada during the week ended January 28 totalled 64,033 compared with a revised 64,069 cars in the previous week and 72,216 cars in the same week of 1949. Track blockages and storms in the far west prolonged the disruption of traffic while the scarcity of snow delayed lumbering operations in the eastern forests. The resulting decline from last year was 8,183 cars or 11.3 per cent despite the inclusion of Newfoundland loadings in the current statistics. Recession was indicated in both eastern and western divisions, the east loading 45,880 cars against 47,897 and the west 18,153 cars compared with 24,319 cars.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on January 26 amounted to 157,922,000 bushels as compared with 160,346,800 a week earlier, and 161,472,600 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces during the week totalled 1,352,000 bushels compared with 1,116,000 a year ago, bringing the cumulative total for the crop year to date to 244,261,900 bushels as against 242,092,900 in the same period of the preceding crop year.

Overseas export clearances of wheat during the week ending January 26 amounted to 2,358,100 bushels compared with 3,036,600 in the corresponding week last year, bringing the total for the crop year to date to 88,617,900 bushels against 71,613,500 in the similar period of 1948-49.

MR. RASMINSKY'S NEW POST: The Minister of Finance, Mr. Abbott, announced on February 5, that Louis Rasminsky has been nominated by the Canadian Government and elected Executive Director of the International Bank for Reconstruction and Development in Washington. He succeeds Donald Gordon who resigned from that post after his appointment as Chairman of the Board and President of the Canadian National Railways.

Mr. Rasminsky, who is Executive Assistant to the Governors of the Bank of Canada and Chairman (Alternate) of the Foreign Exchange Control Board is also an Executive Director of the International Monetary Fund. He will continue to act in these capacities.

The new Executive Director of the World Bank was one of the Canadian advisers at the Bretton Woods Conference in 1944 where he acted as Chairman of the Drafting Committee on the International Monetary Fund. From 1930 to 1939 he served on the staff of the Economic and Financial Section of the League of Nations and since 1940 has been a member of the staff of the Bank of Canada and the Foreign Exchange Control Board.

LIVING COSTS AGAIN DOWN: The Bureau of Statistics cost-of-living index declined 0.5 points between December 1, 1949 and January 3, 1950. This placed the index at 161.0 as compared with 159.6 a year ago, and 148.3 for January, 1948. At the January 3 level, the index was 59.7 per cent above August, 1939.

As has been the case for several months, the largest contribution to the decrease in the total index from December 1 was made by foods which dropped 2.5 points to 199.4. This marked the first time the food index has been under 200 since May, 1949. Within the food group, a drop of 16 cents in the average retail price of eggs accounted for most of the change. Among other food items, an average decrease of two cents in pork prices was partially offset by a rise of 0.7 cents in beef

and veal. Lamb increased nearly two cents, while lard and shortening declined 0.5 cents on the average. Fresh vegetables rose fractionally, sugar increased 0.5 cents and coffee 5.4 cents.

The clothing index declined from 183.7 to 183.3, reflecting slight but scattered decreases. Homefurnishings and services dropped 0.1 points to 167.0 as decreases in blankets, dishes and laundry soap overbalanced increases in telephone and laundry rates. Fuel and light increased 0.4 points to 135.6, following moderate advances in coke prices in some Ontario centres.

STATISTICS ON GRAIN TRADE: The annual report on the grain trade of Canada for the crop year 1947-48, prepared by the Statistics Branch, Board of Grain Commissioners, in collaboration with the Agriculture Division of the Bureau of Statistics, has been released by the Bureau. The volume includes data on acreage, yield and production, farm deliveries, inspections, receipts at terminal and eastern elevators, lake movement, visible supplies, prices, exports, and rail freight rates on grain and grain products. Also included is a summary of the operations of the flour milling industry

LABOUR FORCE BULLETIN: Detailed statistics on the results of the latest quarterly labour force survey conducted during the week ended October 29, 1949, are presented in a bulletin released on February 2 by the Bureau of Statistics. The report contains data on the labour force, persons with jobs, and persons without jobs seeking work, by region, sex and age. Estimates of the number of persons not in the labour force are also included.

TO REPRESENT CANADA: The Department of External Affairs announced on February 3, that senator Armand Daigle will represent the Government of Canada at the official opening of the Haitian International Exhibition in Port-au-Prince on February 12. The present Exhibition is being held to celebrate the bicentenary of the founding of Port-au-Prince. The senator will present a message of greeting from the Prime Minister to the President of Haiti on behalf of the Government of Canada.

LABOUR MANAGEMENT COMMITTEES: At the beginning of 1950, there were 641 Labour-Management Production Committees in operation throughout Canadian industry, compared with 346 at the end of the war, according to a statement released on February 7 by the Minister of Labour Mr. Mitchell, on the work of the Labour-Management Co-operation Service of the Department.

The steady growth in numbers of Labour-

Management Production Committees during the postwar years showed that both employers and employees were becoming more and more convinced of the value of joint consultation on production problems, it was pointed out.

The Committees consist of representatives from management and labour and operate in an advisory capacity on matters affecting industrial productive efficiency. They do not deal with subjects covered by collective bargaining agreements.

The formation of these Committees in industry is sponsored by the Labour-Management Co-operation Service, of the Industrial Relations Branch, Department of Labour.

A breakdown by industrial groups showed that these Committees are well distributed throughout many different industries. Included in the list were: manufacturing with 381 committees, involving 153,253 workers; transportation, 128 committees, involving 60,459 workers; mining, 42 committees, involving 28,522 workers; communications, 41 committees, involving 10,692 workers; service, 27 committees, involving 15,353 workers.

Among the industries making up the total for the manufacturing group were: pulp and paper products, 39 committees; iron and its products, 98 committees; edible plant products, 32 committees; textile products, 25 committees; edible animal and sea products, 22 committees; leather products, 24 committees; lumber and its products, 24 committees.

The largest representation in the transportation industry was steam railways with 108 committees, involving 54,838 workers.

AMBASSADOR OF ARGENTINA: The Department of External Affairs announced that Dr. Agustin Nores Martinez, on February 7, presented to His Excellency the Governor General at Government House, his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Argentina to Canada.

The Acting Secretary of State for External Affairs, Mr. Brooke Claxton, was present. Mr. Erasto M. Villa and Dr. Wifredo Brunet, Counsellors of the Argentine Embassy, accompanied the Ambassador. Mr. Howard Measures, Chief of Protocol, Department of External Affairs, presented Dr. Nores Martinez to His Excellency the Governor General.

Dr. Nores Martinez was born in 1909, is married and has two children. A lawyer by profession and author of various works on jurisprudence, Dr. Nores Martinez was formerly a Professor of Constitutional Law and Economic Geography. He was Dean of the Faculty of Law and Rector of the University of Buenos Aires, and, at the time of his appointment to Canada, was serving as a judge of the Federal Court of Appeal. Dr. Nores Martinez replaces Mr. Atilio Garcia Mellid who left Canada on October 11, 1949.

(Continued from P. 1)

washers, mixers and ironers, juice extractors, and garbage disposal units.

The general effect of all these changes is to eliminate most of the outright prohibitions on imports. As originally drafted more than two years ago, the prohibited list applied to about \$150,000,000 of annual imports. The principal items that will still be on the prohibited list after July 1 will be pork and pork products, cut flowers, soft plastic sheeting, electric lighting fixtures and appliances, various kinds of ornaments, coin-operated amusement devices and vending machines and the so-called comic and pulp magazines. The total value of imports affected by the prohibited list will then be less than \$25,000,000 on the basis of 1946-47 trade figures. Imports subject to quotas will represent about \$200,000,000 on the basis of 1946-47 imports.

These reductions in the prohibited list will also have the effect of encouraging some additional imports from the United Kingdom and Western European countries.

Commenting further on these relaxations Mr. Abbott said that they were in line with the Government's policy of removing emergency import controls just as rapidly as the improvement in our exchange position warranted. While there had been substantial fluctuations during the year our exchange reserves had improved considerably by the end of 1949 and this enabled the present relaxations to be made. Further relaxations during the second half of 1950 would have to depend on the future course of events.

UNEMPLOYMENT INSURANCE CLAIMS: Claims for unemployment insurance benefits in December numbered 150,480, up over the November figure of 124,889, and above the 114,506 in December, 1948. Initial and renewal claims, representing mainly new cases of recorded unemployment, rose sharply to 139,406 from 114,888 in November and 105,939 a year ago.

As compared with December, 1948, increased claims were recorded in all Provinces except Prince Edward Island. Quebec's total was up from 36,028 to 50,494, Ontario from 29,641 to 41,453, British Columbia from 21,186 to 23,235, Nova Scotia from 6,442 to 8,159, Manitoba from 6,421 to 7,581, New Brunswick from 5,049 to 6,779, Alberta from 4,605 to 6,390, Saskatchewan from 4,153 to 5,303. Prince Edward Island fell from 981 to 964. Benefit claims in Newfoundland in December 1949 totalled 122.

In December, benefit payments amounted to \$7,181,001 for 3,066,888 compensated days as against \$5,048,373 for 2,178,130 days in November and \$3,592,155 for 1,687,804 days in December, 1948.

ICAO TRAINEE PROGRAMME: Five men and one woman have been chosen to take part in the third trainee programme of the International Civil Aviation Organization, according to an announcement by ICAO Secretary General Dr. Albert Roper.

All 56 member nations of ICAO were asked to submit nominations for this programme; the successful candidates will go to Montreal on 27 February and will spend a five-month period studying and taking part in the work of the organization. Upon completion of this period, the trainees will then return to their home countries and there will aid in maintaining liaison with ICAO.

The successful candidates are:

- Belgium:** Jean Van Bellingham, Student now under training at the UN Fuel and Energy Commission.
- Brazil:** Eurico Pacobahyba, Secretary to Brazilian Commission for International Air Navigation studies.
- Ceylon:** Dixon Kotelawala, Acting Aerodromes Officer.
- Egypt:** Badr El Din Galal, Chief, Air Transport Section, Department of Civil Aviation.
- Mexico:** Miss Maria Vivar Balderrama, Junior Assistant, Legal Department, Altos Hornos de Mexico, S.A.
- Portugal:** Manuel F.G. Madruga, Chief of Section, Department of Civil Aviation.

STAFF COLLEGE EXAMS: Next week will be a tough one for 138 Army captains and majors who will write the annual entrance examinations for the Canadian Army Staff College, Kingston, Ont. The examinations will commence February 14 and last almost a week, the final one being written February 17.

They culminate a year of intensive study in their own time by the officers. However, for the past two weeks, the majority have been on a course of full time study in preparation for the important tests.

A "pass mark" will qualify them for entrance to the Staff College but not necessarily mean they will be selected to attend. Each year only about 55 eligible officers are chosen. A very small number may be sent to similar colleges in Commonwealth countries on an exchange basis.

Embracing a wide range of subjects including current world affairs, military history, military law and the organization and principles of employment of all arms of the Service, the examination will be written at Army Headquarters in Ottawa and at the various Command and Area headquarters across the country. One officer, presently on overseas duty, will tackle his papers in England.

JAPANESE DELEGATION: The Department of External Affairs announced on February 9 that the Canadian Government has extended an invitation to a delegation of Japanese Members of Parliament to visit Ottawa. The delegation which is now in the United States numbers fourteen. It includes leading members of all major parties, with the exception of the Communist Party, from both Japanese Houses. The group is expected to arrive in Ottawa on February 22 and leave on February 24.

The purpose of the visit to Canada is to give an opportunity to the Japanese Members of Parliament to study the Canadian parliamentary system. Under the post-war constitution, Japan's system of government bears a strong resemblance to our Canadian system. The delegation therefore is particularly interested in such problems as the process by which bills are passed, the working of party government, and any background information as to how political parties are formed and developed in a democracy. Included in the delegation are members of the secretariat of the Japanese Diet who are concerned with administrative details. The delegation has been visiting state legislatures and the federal Congress in the United States. A suitable programme for the delegates in Ottawa is now being prepared.

Three interpreters are accompanying the group in order that language difficulties be minimized. In addition, certain members of the delegation speak English.

The visit of the Japanese group to North America, which will last about 40 days, has the full approval of General MacArthur's headquarters. Besides interpreters, the group is accompanied by two representatives of the Government Section, Headquarters, Supreme Commander for the Allied Powers.

EXERCISE SWEETBRIAR: Whitehorse, Y.T., Feb. 9 -- Exercise Sweetbriar begins at one minute past midnight on Monday, February 13, when Canadian and United States forces swing into action against the "Aggressor Force" which has already overrun the Fairbanks area and seized the landing strip at Northway, close to the Yukon-Alaska boundary.

Whatever the outcome of the exercise, it is already apparent here that joint and combined staffs of Canadian and United States officers make up a first class fighting team. The co-operation at all levels from the manoeuvre

commander down has been and is excellent, and is reflected in the free and easy intermingling of troops of both countries in their off hours at the movies, in the canteens and on the streets of Whitehorse.

The concentration of Canadian Army vehicles and personnel at Whitehorse is now complete. All units are shaking down for their role in the exercise by running through stiff training drills in the surrounding bush and along the Highway. It is now estimated that some 1,428 Canadian troops, both Active and Reserve, will be actively engaged. In addition there will be approximately 800 men of the Royal Canadian Air Force participating.

The Army has brought in 428 vehicles of all types for the exercise, including specially designed over-snow vehicles, telecommunication equipment, and heated personnel and commodity carriers. The job of driving the vehicles here over the 1,538 miles of ice and snow-covered highway from Wainwright with no personnel casualties and no major mechanical difficulty was outstanding. Ahead of them now are the 372 miles to Northway where the exercise ends, and, of course, the 1,910-mile return trip to Wainwright.

Included in the 1,428 troops taking part in the exercise are 125 members of the Reserve Force, mostly from Western Command. Members of the Active Force represent every province in Canada. Morale of the troops is extremely high.

NAVAL RESEARCH ESTABLISHMENT: Construction of a new \$450,000 building to house the Naval Research Establishment at French Cable Wharf, Dartmouth, N.S., is expected to begin early this summer, the Minister of National Defence, Mr. Claxton, announced on February 9.

The building will provide modern laboratory facilities and equipment and it is expected that it will take approximately 18 months to complete.

ELECTRIC ENERGY: Production of electric energy by Canada's central electric stations reached an all-time record total of 46,673,214,000 kilowatt hours in 1949, rising almost five per cent over the preceding year's total of 44,568,849,000. During the past 21 years the annual output has almost tripled, production in 1928 amounting to 15,900,000,000 kilowatt hours.



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WEEK'S EVENTS IN REVIEW

EXPULSION OF CANADIANS FROM CZECHOSLOVAKIA:

The following account of the incidents that took place in Prague on January 17 and 18, after which Sergeant Danko and Corporal Vanier were withdrawn from Czechoslovakia, is drawn from the reports of the Canadian Chargé d'Affaires, Mr. John A. Irwin, the Canadian Air Attaché, Group Captain R.A. Cameron, and the two men themselves.

On the afternoon of January 17, when Sergeant Danko left his apartment house with his wife, he saw at the street door three roughly-dressed and threatening-looking individuals who seemed to be taking considerable interest in him. He did not know who they were but feared some trouble for himself. When he returned home later in the afternoon he took the precaution of having with him Corporal Vanier and another member of the Legation staff. The three men he had seen before he now found inside the building in front of his apartment door. He asked them if they were police and what they were doing there. They replied that they were not police and were waiting to see a lawyer who lived on the same floor. They asked for no identification and offered none; nor when asked would they identify themselves.

That evening at 8:30 Danko and Vanier were in the Danko apartment with Mrs. Danko and a party of four ladies. About 9 o'clock they

left the flat. Mr. Danko was left behind in the apartment. At the door of the apartment house one of a watching trio accosted the leading pair and spoke in Czech, apparently asking for identification cards. One of the men was ill-advised enough to lay a hand on a girl in the party. Vanier demanded to see the man's own identification papers and when he would not produce them but insisted on interfering, Vanier brushed him aside. This caused him to stumble and fall. Vanier pulled him up by the coat and warned him to make off, which he and his companions did. The latter did not offer to interfere in any way. The man's coat was torn, but so little disturbance was caused by his fall that Sergeant Danko, who was standing nearby, did not know of the fall until he was later told by Vanier.

On the following day, January 18, Sergeant Danko left the Canadian Legation at about 5:00 p.m. to go home. As he drove up in front of his apartment house a number of tough-looking individuals appeared, whereupon Danko prudently returned to the Legation. The Chargé d'Affaires, the Air Attaché and another officer of the Legation then accompanied Sergeant Danko to his apartment before which they found gathered on the street a small crowd of men, with whom was one uniformed policeman. They stopped and questioned the policeman and

U.S. EXERCISES IN CANADA. The United States Army Medical Department's second winter field exercise in Canada will be carried out this year during the month of February in the vicinity of Camp Shilo, Manitoba, the Defence Department announced on January 27.

A similar exercise was held last year in sub-zero temperatures in this area, where climate and terrain are specially suitable for the type of training involved and for the service testing of medical equipment.

Some 53 enlisted men with five officers, one warrant officer and three Army nurses will make up the United States exercise group this year. One RCAF medical officer, one non-medical Canadian Army officer and one nursing sister of the Royal Canadian Army Medical Corps will also participate.

The American party will reach Camp Shilo on February 1 in two groups from their headquarters at Percy Jones Military Hospital, Battle Creek, Mich., one group travelling by rail and the other by road convoy.

The exercise and trials are expected to last one month, with all parties returning to the United States on March 2.

EXERCISE "SWEETBRIAR": Brief statements on Exercise "Sweetbriar" were issued in the United States and Canada on January 27 by Hon. Louis Johnson, U.S. Secretary of Defence, and the Minister of National Defence, Mr. Claxton.

Mr. Johnson said: "Exercise Sweetbriar, held as it will be on both United States and Canadian soil and with more than 5,000 Army and Air Force troops of both countries participating, exemplifies the spirit of mutual defence set forth under the North Atlantic Treaty. It is the first joint manoeuvre and the largest ever held to test logistic facilities and to provide tactical training under mid-winter conditions in the sub-Arctic. It involves battalion combat teams and both tactical and carrier air support. I have every reason to feel that Exercise Sweetbriar will be a success when Armed Forces of the United States and Canada plan together, work together, and take part in joint manoeuvres. They bring all of us in both countries more closely together. Out of that association, I am sure, will come not only a better joint defence but a deeper appreciation for each other."

Mr. Claxton said: "Exercise Sweetbriar will take place on both American and Canadian soil in continuation of the policy of cooperation in military matters existing between our two countries as one of the regional groups under the North Atlantic Treaty. An important part of the training has already been carried out by the Canadians at Wainwright in Northeastern Alberta, and in the movement more than a thousand miles by motor vehicle from there beyond Whitehorse. Senior United States and Canadian officers will command troops of both countries and it is expected that valuable

lessons will be learned in joint techniques of command and cooperation. Exercise Sweetbriar is an exercise in working together and in long distance movements in extreme weather conditions."

SUPPORT FOR EGG PRICES: The Minister of Agriculture, Mr. Gardiner, announced on January 26 that the Government, through the Agricultural Prices Support Board, will take action to stabilize the egg market by supporting a shortage program for 1950.

Under the plan, the Agricultural Prices Support Board is committed to buy, at the termination of the storage period, late in 1950, all eggs then unsold which had been stored according to Board specifications, during the period January to early June of this year.

The Board will pay, at all storage points in Canada, 38 cents per dozen for eggs stored as Grade A Large and 36 cents per dozen for eggs stored as Grade A Medium, plus a stipulated allowance to cover costs.

It is anticipated this action will provide a floor price to producers, at egg stations, of approximately 30 to 32 cents per dozen, basis Grade A Large, depending on shipping costs from station to storage.

In making the announcement Mr. Gardiner pointed out that this action was taken to assist the poultry industry in the adjustment to conditions created by discontinuance of British egg buying in Canada.

Under this program the Government will not participate directly in the egg business. The storing and merchandising of eggs will remain in the hands of the industry. The Government offer to buy any otherwise unsaleable eggs at the end of the storage season will, however, provide the same stabilizing influence as operated under British contracts when the Government contracted to buy eggs out of storage in the fall months for delivery to Britain.

Egg prices, he said, have been seriously depressed since buying for British account ceased on December 17. Without some measure of support through Government action this depressed condition would continue through the surplus producing period of the first half of the year. This could lead to an extreme liquidation of laying flocks, followed by a shortage of eggs and a prolonged period of high prices.

WEARING OF "CANADA" BADGES: Naval Headquarters announced on January 26 that "Canada" badges would be worn by officers and men of the Royal Canadian Navy.

Under the new regulations, "Canada" badges will be worn on all uniforms, including greatcoats. They will be worn on both sleeves, the top of the letters being a half inch below the shoulder seam.

As soon as supplies are available in-service clothing stores gratuitous issues of the new badges will be made to cadets and men. Officers will purchase necessary supplies from the same source.

Priority in the issue of "Canada" badges will be given to the officers and men of ships proceeding to foreign waters.

AIR TRAVEL BETWEEN CANADA AND U.S.: Air travel between the United States and Canada showed a marked gain in 1949, according to figures covering the first 10 months of the year released by the Bureau of Statistics. At the same time, fewer United States visitors entered Canada by rail, bus, and boat, but increased numbers of Canadians returning to this country used these services.

During the period, 119,288 travellers from the United States used air services as compared with 100,774 in the similar period of 1948, an increase of 18.3 per cent. Canadians returning from the United States by plane numbered 78,988, as compared with 60,496 in 1948, an increase of 30.5 per cent.

In the first 10 months of 1949, 481,596 travellers from the United States entered Canada by rail as compared with 512,866 in the previous year, 397,318 by bus as compared with 456,208, and 295,253 by boat compared with 328,171. Canadians returning from the United States by rail numbered 460,649 compared with 406,652, by bus 498,101 compared with 378,008, and by boat 99,953 compared with 91,622.

REVIEW OF FOREIGN TRADE: Some of the principal developments in the volume and value of Canada's foreign trade in the first six months of 1949 are reviewed in a 79-page bulletin released today by the Bureau of Statistics. Divided into six chapters, the bulletin contains textual matter as well as supporting tables.

Chapter I is devoted to a broad discussion of trends in imports, exports, and trade balances, while chapter II reviews Canada's foreign trade with leading countries. Chapter III deals with trade with significant regions and groups of countries. Leading commodities in foreign trade are discussed in chapter IV, and chapter V deals with price and volume movements.

Among the subjects dealt with in chapter VI are the methods of collecting trade statistics, non-commercial items in Canadian trade, gold in Canadian trade, and Newfoundland in Canadian trade statistics.

WHOLESALE PRICES LOWER: Wholesale prices showed a slight decline in December, according to the general index number compiled by the Bureau of Statistics. The December index, on the base 1926=100, stood at 156.8, down 0.2

points from the November figure of 157.0, and 2.8 points below the high figure of 159.6 reached in December, 1948.

CARLOADINGS: Carloadings on Canadian railways during the week ended January 21 continued to be affected by unusual weather conditions, particularly in the western division where embargoes on perishables and automobiles were advised. Loadings for all Canada, including Newfoundland, were 64,127 cars, down 11.2 per cent or 8,085 cars from the 72,212 cars reported for the third week of last year.

STORE SALES AT NEW PEAK: Swelled by heavy Christmas buying, department store sales reached a new monthly peak value of \$114,467,000 in December, showing a gain of 4.5 per cent over the December 1948 total of \$109,540,000. Despite the large dollar volume of sales in the month, the advance fell short of the overall rise for the year when cumulative sales moved up seven per cent to \$856,441,000 from \$803,092,000 in 1948.

Most departments registered moderately increased sales in December and the year, the principal exception being food departments. December sales were higher in all provinces except Quebec, while advances were Canada-wide in the year. In December British Columbia and Manitoba had the largest percentage sales advance. In the 12 months, Alberta, the Maritimes, and Manitoba were the leaders.

RAIL REVENUES AND EXPENSES: The principal Canadian railways reported operating revenues of \$80,570,000 for October, a decline of 2.7 per cent from the record for the month established in 1948. Operating expenses were reduced \$605,000 or less than one per cent from \$69,655,000 to \$69,050,000, and the operating income for the month stood at \$8,775,000 against \$9,864,000.

1949 RECORD AUTO PRODUCTION: Canadian manufacturers of motor vehicles established a new record in 1949, when they shipped out a larger total of units -- new passenger cars, trucks and other commercial vehicles -- than in any previous year.

Total shipments for 1949 aggregated 290,634 units as compared with 264,178 in 1948, an increase of 10 per cent. Previous high mark was 270,191 units in 1941, largely commercial vehicles for war use, while the fourth highest year's output was 262,625 units in 1929.

Last year's increase over 1948 was due to larger shipments of passenger cars, which advanced to 192,458 units from 166,935 the previous year. Total number of trucks increased slightly to 97,680 units from 96,388.

NEW PEAK IN EXPORTS TO UNITED STATES

BUT OVERALL TOTAL DOWN: Canadian domestic exports to the United States reached a new all-time peak value in 1949 as the result of a gain of \$12,000,000 in December, which raised the year's total narrowly above the previous record value of 1948, but total domestic exports to all countries were down nearly three per cent in the year from the record peacetime total value of 1948.

Total value of domestic exports to the United States last year was \$1,503,459,000 as compared with \$1,500,987,000 in 1948, making up 50.2 per cent of the total value of exports to all countries as against 48.8 per cent in 1948. Shipments across the border in December were valued at \$159,766,000 as against \$147,832,000 a year earlier, the gain -- the greatest for any month in 1949 -- following upon a similar rise of \$8,000,000 in November. Gains were recorded also in each month from January to June and in August, but the cumulative increase of approximately \$32,000,000 at the end of August was heavily outweighed by a drop of \$50,000,000 in September. This loss was offset by the buoyant movement of goods in the last two months of the year.

TOTAL EXPORTS TO ALL COUNTRIES

Total exports to all countries during 1949 were just under the \$3,000,000,000 mark, which was passed in 1948 for the first time in a peacetime year, being valued at \$2,993,000,000 as compared with \$3,075,400,000 the previous year and \$2,744,900,000 in 1947. The decline in the total was due mainly to a sharp reduction in the aggregate value of exports to European countries, the totals for other foreign geographical groups, and for Commonwealth countries as a whole (Newfoundland excluded) being higher although lower for most individual Commonwealth countries.

Various external influences affected Canadian exports during 1949. Due to general dollar shortages, overseas countries as a whole reduced the volume of their purchases in Canada throughout the year. Other reductions in volume occurred in exports to the United States as business readjustments in that country in the early part of the year curtailed demand. A revival of demand in the United States in the latter months of the year, however, made for some recovery in the volume.

LANDINGS OF SEA FISH: Landings and landed value of sea fish in Canada--excluding Newfoundland--were lower in 1949 than in the preceding year. The year's catch amounted to 1,176,767,000 pounds as compared with 1,277,350,000 in 1948, a decline of 7.6 per cent, while the value was \$53,660,000 compared with \$60,035,000, a decrease of 10.6 per cent.

In the same period the Canadian dollar was devalued, contributing further to a higher Canadian dollar value of exports to the United States in particular.

The volume of Canadian exports in the first half of 1949 was 5.9 per cent less than in the same period of 1948 and some 17 per cent less than in the second half of that year. In the second half of 1949 the volume rose appreciably but still was less than in the corresponding period of 1948.

Trends in export prices in 1949 were varied. In the first half of the year, taken as a whole, average export prices were eight per cent higher than in the first half of 1948 and slightly higher than in the second half of that year. But average export prices during the year to September were declining from the high level at the opening of 1949. However, the effect of the currency devaluations in September was to raise the Canadian dollar value of a large group of exports by an equivalent amount. Consequently, average export prices in terms of Canadian dollars recovered from part of the decline which had occurred in the first three quarters of the year.

In December, total exports to all countries declined in value to \$285,500,000 from \$316,400,000 a year earlier, accounting for more than a third of the year's decrease. Shipments were lower in the month to most geographical groups and principal countries, except the United States and United Kingdom.

DOMESTIC EXPORTS TO U.K.

Domestic exports to the United Kingdom in 1949 totalled \$704,956,000, up from \$686,914,000 in 1948 but below the 1947 total of \$751,200,000. In December the value of shipments was \$49,884,000 as compared with \$48,515,000 in December, 1948.

Aggregate domestic exports to other Commonwealth countries for the 12 months were moderately higher in value at \$300,815,000 as against \$290,431,000 in 1948, but were down in December to \$25,816,000 as against \$40,906,000 a year earlier -- excluding figures for Newfoundland from the comparisons for both periods. These totals were maintained, however, by some exceptional items of trade like wheat and railway equipment to India and the Union of South Africa.

DECLINE IN EMPLOYMENT: Employment in the principal industrial divisions showed a further small decline at December 1, according to preliminary tabulations of monthly data by the Bureau of Statistics. The advance index number, on the base 1926=100, was 201.5 as compared with 202.0 at November 1, and 204.3 at December 1, 1948.

THE CURRENT MANPOWER PICTURE

323,000 LOOKING FOR JOBS: The Minister of Labour, on January 28 issued the following statement on the employment situation.

A total of 323,000 persons were reported as looking for jobs through National Employment Service offices on January 12. The recent increase, which is for the most part a seasonal one, brings the total number of persons looking for work to some six per cent of the labour force.

This by no means indicates a general decline in the Canadian economy. Rather the increase in unemployment arises essentially from a number of special factors. Among these are the decline of woods employment, the re-appearance of sharper seasonal patterns of employment, and the abnormal weather conditions in some sections of the country. An additional factor has been the reduction in some of the unusually favourable market outlets which have existed during recent years. This reduction is due to readjustments of export trade and the disappearance of some domestic backlogs of demand.

HIGHER THAN LAST YEAR

Although unemployment this winter is higher than last year, a greater proportion of job seekers is covered by unemployment insurance than in recent years. Experience indicates that four out of every five workers who apply for benefits actually receive them. At the beginning of January, some 80 per cent of the registered job seekers were either claiming or receiving unemployment insurance benefits. Benefit payments amounted to over \$7 million in December and totalled almost \$70 million during all of 1949. To an increasing extent, unemployment insurance benefits and other social security measures are easing some of the burdens which temporary unemployment creates for individual workers.

The usual rapid increase in the number of those looking for work early in January is due in a large part to the situation in the logging industry. As cutting is completed, em-

ployment in the woods in eastern Canada begins to decline. Hauling the logs to the river banks in preparation for the spring drive requires much less manpower than cutting. This year, not only has the cutting season been shorter than usual, but also the lack of snow in many districts has delayed hauling. This has added to the troubles of many centres in lumber districts where unemployment is already heavy because of the generally lower level of cutting operations.

On the west coast, it is usual for logging to continue throughout the winter months. This year, however, violent storms have closed many of the camps. As a result, unemployed logging and sawmill workers have drifted into Vancouver, to swell the number of job seekers in that city.

DEMAND NOT VERY ACTIVE

In many sections of Canada, casual workers, not finding their usual winter work in logging, have come into the larger cities in search of jobs. These have not been easy to find. Although employment generally remains high, labour demand is not very active. Employers, with staffs more or less adequate to meet their production schedules, can afford to be selective in their hiring. Most job openings at the moment, therefore, are for skilled workers rather than for casual labour of the type employed in seasonal industries.

In other industries, the need for capacity production throughout the whole year has lessened as backlogs of demand have been filled. Thus, more seasonal layoffs are occurring. In addition, other workers have been laid off as the labour force shifted from industries where markets were softening to those where employment was expanding. Employment has declined in industries such as meat-packing, fur, lumber, non-ferrous metals, and certain sections of the iron and steel industry. These declines have been offset by gains in other industries, especially those producing consumer durable goods.

MR. ILSLEY CHIEF JUSTICE OF NOVA SCOTIA: The Prime Minister, Mr. St. Laurent announced on January 26 that the following appointments had been approved:

J. J. Bowlen, Esq., of Calgary, as Lieutenant-Governor of Alberta, effective February 1;

Vincent P. Burke, Esq., O.B.E., of St. John's, Newfoundland, to the Senate;

Rt. Hon. J.L. Ilsley as Chief Justice of Nova Scotia;

Mr. Justice George B. O'Connor of the Appellate Division of the Supreme Court of Alberta as Chief Justice of Alberta;

Mr. Justice C.J. Ford of the Trial Division of the Supreme Court of Alberta as a Judge of

the Appellate Division;

W.G. Egbert, Esq., K.C. of Calgary as a Judge of the Trial Division of the Supreme Court of Alberta;

Alexander Bernier, Esq., K.C. of Winnipeg as a Judge of the County Courts, Central Division, Eastern Judicial District of Manitoba in place of Judge Joseph L.P. Roy, who has retired;

Reginald D. Keirstead, Esq., of Saint John, N.B. as a Judge of the County Court for the County of Saint John, New Brunswick;

Dr. André Simard of the city of Quebec as a Commissioner of the National Battlefields Commission.

"SUN DOGGERS" HEAD NORTH: Almost 200 soldiers who will participate in Exercise "Sun Log" in the Fort Churchill, Man. area in February and March will put in two extra weeks in the sub-arctic because it has been "too warm" to train for the manoeuvres farther south.

Officers at Petawawa military camp where the force was concentrated said that the group left for Fort Churchill two weeks earlier than scheduled so that the men could become used to cold weather before shoving off from Churchill for a month of living in tents in the Barren Grounds.

Continuing spells of mild weather and heavy rains made Petawawa anything but an arctic testing ground through January.

Exercise "Sun Dog" will continue the Canadian Army's close study of the effects of Arctic conditions on men and equipment. From February 15 until March 15 some 250 soldiers, most of them from the Royal Canadian Regiment, will carry out a series of tactical movements and patrols over a pre-arranged 250-mile route in the Churchill area.

1,626 FOREIGN DECORATIONS: Twelve foreign Governments have awarded a total of 1,626 decorations and awards to Canadian Army personnel up to and including March 31, 1949.

Bulk of the awards came from Belgium, France, the Netherlands and the United States.

A breakdown of the total shows that awards made by Belgium were 397; China, 6; Czechoslovakia, 41; Denmark, 3; France, 362; Greece, 23; Luxembourg, 19; Netherlands, 516; Norway, 5; Poland, 6; Tunisia, 1; United States, 247.

The awards were made in recognition of Canadian gallantry, valour and aid during the Second World War.

CARIBBEAN TRAINING CRUISE: Two ships of the Royal Canadian Navy, the aircraft carrier "Magnificent" and destroyer "Micmac", will sail from Halifax February 13 on a two-month training cruise to the Caribbean, Naval Headquarters announced on January 31.

Embarked in the "Magnificent" will be aircraft and personnel of the 18th Carrier Air Group, made up of 825 and 826 Squadrons of the R.C.N. Exercises involving the Group's Firefly aircraft will be carried out throughout the cruise.

The frigate "Swansea" will accompany "Magnificent" and "Micmac" on the first leg of the cruise but will part company to proceed independently to Nassau, Bahama. After a six-day visit there, February 18 to 24, she will return directly to Halifax, arriving March 1.

The "Magnificent" and "Micmac" are scheduled to make stops at Charleston, S.C., Guantanamo and Havana, Cuba, and New York City.

The training cruise, an annual undertaking of the R.C.N., is designed to give officers and men practice in ship-board evolutions and

fleet manoeuvres, including air strikes and surface actions. During the latter part of March, combined exercises will be carried out in the Caribbean with units of the America and West Indies Squadron of the Royal Navy.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on January 19 amounted to 160,347,000 bushels as compared with 163,156,000 a week earlier, and 165,268,000 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces during the week totalled 1,750,000 bushels compared with 3,646,000 a year ago, bringing the cumulative total for the crop year to date to 242,910,000 bushels as compared with 240,977,000 in the same period of the preceding crop year.

RECORD HIGH IN CHEQUES CASHED: Financial transactions in the form of cheques cashed at the banks rose to an all-time record total of \$87,554,363,000 in 1949, showing an increase of 8.5 per cent over the preceding year's total of \$80,687,448,000. In December, the country-wide total was \$8,395,808,000 as compared with \$7,800,091,000 in the corresponding month of 1948, a gain of 7.6 per cent.

A new maximum was reached in 1949 in each of the five economic areas. The year's gain in the Prairie Provinces was 13 per cent, while transactions in Ontario and British Columbia showed increases of 9.2 per cent and 7.1 per cent, respectively. The aggregate for Quebec was up 4.4 per cent. The relative gain in 1949 was technically greater in the Maritimes than in any other economic area, the debits for St. John's Newfoundland not being available for the preceding year.

SECURITIES TRANSACTIONS: Sales and purchases of securities between Canada and other countries in November declined from October totals, sales amounting to \$23,000,000 and purchases \$19,800,000, resulting in an excess of sales over purchases of \$3,200,000 as compared with \$3,800,000 in the preceding month.

As a result of transactions in November, a cumulative sales balance of \$2,000,000 replaced the cumulative purchase balance in October. This contrasts with cumulative net purchases of \$17,100,000 and \$13,900,000 respectively, that arose out of a smaller volume of trade for corresponding periods in 1948 and 1947.

Total transactions with the United States in November showed little change from the previous month. Sales again reached the October level of \$22,100,000, while purchases increased slightly to \$17,000,000 as against \$16,600,000. A sales balance, amounting to \$5,100,000, was thus produced in November for the second successive month.

DEVELOPMENT OF SERVO-MECHANISMS

DR. SOLANDT'S ADDRESS: In an address to the Association of Professional Engineers of Ontario, in Toronto, on January 28, Dr. O.M. Solandt, Chairman, Defence Research Board, discussed, among other matters, the developments in electronics which have made possible the elimination of the human operator in many simple situations. He said that the greatest impetus for the development of complex servo-mechanisms to replace human operators would come from the services, and proceeded in part as follows:

"...Servo-mechanisms that are designed to perform complex functions are, in general, very like men. They must have sense organs or receivers to collect data, nerves to transmit this data to the brain, a brain to assess the significance of the incoming information, choose the right course of action and send out impulses to muscles or servo motors that accomplish the desired result. Recent advances in science have made possible great improvements in every element of such systems and thus opened up a field of infinite possibilities for creative engineering....

SEE OBJECTS BY TELEVISION

"Consider first the data receivers or sense organs of such a servo-mechanism. They can be made to see objects by television, or by radar or infra-red rays; they can be made very sensitive to small changes in light or sound or pressure or indeed to any change in their physical environment. The only human sense that cannot be duplicated fairly well is smell. Even there some facetious optimists speak of the development of telemell as a substitute for radar. It could detect airplanes around corners.

"Once the information is collected, it can be transmitted electrically to any required distance. Great progress has been made in converting all forms of information into electrical impulses of a readily transmittable kind and then reconvertng the information at the other end. A simple example of this is the linking of two dial indicators by radio so that one will instantly follow changes in the other.

"The central brain of such a system now offers the greatest possibilities for experimentation. Calculating machines are being made that will do many things that only a good human brain could do and the machine will do them many times faster. This means that it is possible to build into the central control of a servo-mechanism almost any desired characteristics.

"The effector mechanisms or muscles of the system have also been greatly improved. Electronic control systems make possible very rapid and accurate control of large forces thus giving the mechanical man a strong back as well

as an almost infallible, though stereotyped mind.

"Lest you feel that what I have said is vague and visionary, I might remind you of the systems of anti-aircraft fire control that were actually used at the end of the war. A radar set automatically scanned the sky. When it saw an aircraft, it locked onto the aircraft and followed it. As it followed, it reported range, elevation and azimuth readings continuously to an electrical predictor or computer, which acted as the brain of the mechanism. After considering the data received, it predicted the future position of the target, applied suitable corrections for meteorological conditions and the ballistics of the shell being fired and then sent signals to hydraulic or electric motors that continuously aimed the guns in the best direction for a hit. If the shell had a mechanical fuze, the predictor put the correct fuze time on the fuze setter. In most cases a radio proximity fuze was used so that no fuze setting was required. Thus the whole operation of an eight gun heavy A.A. site could be made fully automatic....

GUIDED MISSILES

"During the next ten years the same techniques will be vastly improved and refined. One obvious application where a great deal of work is going on at present is in guided missiles. It now seems fairly certain that the first technically successful long range guided missile will be nothing more than an airplane in which every member of the crew will be replaced by a servo-mechanism which will do his job. This not only makes the plane expendable, but also makes it much simpler and smaller and hence faster or of longer range by eliminating the need for pressure cabins, oxygen supply, cabin heating, feeding arrangements and all the other complications that are required by a human crew. This pilotless aircraft will gradually fly higher and faster and will ultimately lose its wings and evolve into the inter-continental rocket of contemporary fiction....

"This tendency to replace men with machines which has already begun will spread rapidly through all the Services. All major armament will soon be fully controlled by automatic mechanisms. Navigation both in the air and on the sea will require little human intervention. The guided missiles of the future will be launched and controlled by machines. The same sort of techniques will be used for collecting, displaying, analysing and transmitting the vast mass of information that is needed for the effective conduct of a battle whether on land, or sea or in the air. All these things are possible through the use of existing knowledge...."

learned that there was some question of Vanier having torn the coat of one of the men during the incident of the previous evening.

The Canadian party then withdrew again taking Danko with them. Later in the evening at about 10:30 p.m. the Air Attaché returned to the Danko apartment bringing Danko and Vanier with him. There was at that time one uniformed policeman on the street but no one else in evidence.

A little later when the Air Attaché descended from seeing Danko to his apartment on the fifth floor, he found a number of watchers, perhaps ten in all, tucked into various corners of the corridors. He then went to a nearby police station where he complained about this apparently hostile body of unidentified persons and asked for some police protection for Danko. The attitude of the police was uncooperative but they finally assured the Air Attaché that some one would be immediately instructed to look into the matter.

However, by the next day, January 19, the number of un-uniformed watchers in Danko's apartment building had considerably increased.

Neither from their dress, words or actions did the individuals involved in these incidents appear to have any official authority. At no time was there any use or display of firearms. Neither of the Canadians ever carried arms.

During the forenoon of January 19 the Czechoslovak Ministry of Foreign Affairs delivered to the Canadian Legation a note demanding that Danko and Vanier leave Czechoslovakia within 12 hours, on the ground that their behaviour represented an "abuse of hospitality".

So far as the Canadian staff in Prague is concerned, this incident was the climax of a series of steps taken by the Czech Government during the past few weeks. They were all aimed, without any well-founded reason at embarrassing the normal routine and work of the Canadian Legation.

Last October, of two locally employed members of the Canadian Legation, themselves Czechs, one was suddenly arrested, the other denied permission to continue working with the Legation, both without good cause given.

Early in January Sergeant Danko was accused without a shadow of evidence of organizing espionage and of paying "considerable sums" for information. As was announced earlier, he was declared persona non grata and requested to leave Czechoslovakia "within a reasonable time".

This was followed by the incidents involving Sergeant Danko and Corporal Vanier re-

counted above. After reading the reports of the Canadian officials in Prague and hearing the account given by the two Canadian N.C.O.'s, the Canadian Government is convinced that the charges are false and that the interference with Danko and Vanier was deliberate.

On January 23 the Czech Chargé d'Affaires in Ottawa was asked to call at the Department of External Affairs. Mr. Klima was then informed by the Under-Secretary that this interference with the Canadian staff in Prague was wholly unwarranted. He was requested to ascertain from his Government if it was their intention deliberately to embarrass the work of the Canadian Legation in Prague. No reply has been received to this inquiry.

In the circumstances, the Government approved yesterday the immediate despatch to the Czechoslovakian Chargé d'Affaires in Ottawa of a note requiring that two members of the staff of the Legation leave Canada within seven days from the delivery of the note.

The two employees in question are Hugo Bohounek, clerk to the Commercial Attaché, and Richard Bergmann, bookkeeper.

INTERIM COMMITTEE OF UN: The Interim Committee of the General Assembly of the United Nations will hold its second meeting in the New Year on February 7, the first meeting having been held on January 16. The Canadian Delegation is composed as follows:-

Representatives: The Secretary of State for External Affairs, Mr. Pearson.

Alternates: Mr. L. Mayrand, Assistant Under-Secretary of State for External Affairs; Mr. J.W. Holmes, Head of United Nations Division, Department of External Affairs; Mr. R.G. Riddell, Department of External Affairs; Mr. A.C. Smith, Principal Adviser, The Permanent Delegation of Canada to the United Nations.

Adviser: Mr. H.H. Carter, Adviser, The Permanent Delegation of Canada to the United Nations.

Due to his absence from the continent, it is unlikely that Mr. Pearson will be able to attend the Committee.

The Under-Secretary of State for External Affairs, Mr. Heeney, stated at a press conference on January 19 that one of the subjects to come up for discussion would be the matter of Soviet threats to the political independence and territorial integrity of China and to the peace of the Far East, an item put on the General Assembly's agenda by China and subsequently referred to the Interim Committee.



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WEEK'S EVENTS IN REVIEW

PRAGUE EXPELS TWO CANADIANS: Word has been received from the Canadian Chargé d'Affaires in Prague that the Czechoslovak Ministry of Foreign Affairs has demanded that Sergeant R.W. Danko and Corporal J.G. Vanier of the Staff of the Canadian Air Attaché in Prague leave Czechoslovakia "within twelve hours". The Ministry has made certain charges against these two men without producing any supporting evidence, and has declared them to be persona non grata.

This incident is apparently part of deliberate policy in certain of the satellite countries where members of the staffs of Western diplomatic missions have been subjected to baseless accusations, followed by demands for their expulsion.

The Government has under active consideration the appropriate steps to be taken in the circumstances. Meanwhile, Sergeant Danko and Corporal Vanier have been recalled to Canada and have now left Czechoslovakia. Their personal reports will be made immediately they arrive.

ATOMIC ENERGY CONFERENCE: The following is the text of the announcement, made simultaneously, on January 26, in Canada, the United States and the United Kingdom, on a meeting of the representatives of the atomic energy agencies of the three nations, in England, February 9 to 12:

In the interest of continued uniform application of measures for security of atomic energy information held in common by the United States, the United Kingdom and Canada, representatives of the atomic energy agencies of the three nations will meet February 9th-12th, 1950, at the British Atomic Energy Research Establishment, Harwell, Didcot, Berks, England.

The three nations now use uniform declassification guides in determining what information rising from their atomic energy research and developmental work may be published and what information is to be classified and restricted in circulation. These guides were developed at the first declassification meeting of the representatives of the three Governments November 14th-16th, 1947, in Washington,

85,000,000-POUND CHEESE CONTRACT: The Minister of Agriculture, Mr. Gardiner, announced on January 19 that a cheese agreement has been negotiated with the United Kingdom which provides for a maximum quantity of approximately 85 million pounds at a price of 25 cents per pound, basis First Grade FAS Canadian Seaboard.

The Agreement provides for the shipment of 77 million pounds of cheese with a 10 per cent tolerance, that is, Canada will undertake to deliver a minimum of 70 million pounds and the United Kingdom will undertake to purchase up to 84,700,000 pounds.

The price of 25 cents is FAS Canadian Seaboard as compared with a price equivalent to 31 cents FOB Montreal in the 1949 Agreement. The maximum quantity of cheese to be delivered in 1950 is 35,000,000 pounds greater than that of the 1949 contract.

The Minister further announced that the Dairy Products Board has been authorized to pay a price during the year 1950 of 28 cents per pound, basis First Grade, FAS Canadian Seaboard for all cheese purchased under the terms of this Agreement; the difference between the purchase price of 28 cents at which the cheese is bought in Canada and the price of 25 cents per pound for sale to the United Kingdom will be made up from funds provided by the Government of Canada. This arrangement is for the year 1950 only and is designed to assist cheese producers in making the adjustment to the lower price level.

RECORD HIGH COAL OUTPUT: Canadian production of coal rose to an all-time high annual total in 1949, the year's output increasing 3.5 per cent over 1948, and 1.2 per cent above the previous record set in 1942. Imports showed a sharp decline of 35.4 per cent as compared with 1948.

According to preliminary figures, the all-Canada output for the calendar year 1949 amounted to 19,092,000 tons as compared with 18,450,000 in the preceding year and 18,865,000 in 1942. Imports in 1949 totalled 20,045,000 tons, sharply lower than the 1948 figure of 31,054,000 tons.

Preliminary totals for December place the month's production at 1,796,000 tons, moderately below the December 1948 total of 1,840,000 tons. Reversing the trend of the previous 11 months, imports in December rose to 1,527,000 tons from 1,282,000 a year earlier, or by 19.1 per cent.

1947 LUMBER RECORD: Canada's lumber industry had its busiest year on record in 1947 up to that time, when the gross and net values of products were the highest ever recorded, and new peaks were reached in the number of active mills, the number of employees, and the salaries and wages paid, according to the detailed report on the industry by the Bureau of Statistics.

The gross value of the products of the industry in 1947 amounted to \$402,133,000 an increase of 39.7 per cent over the 1946 value of \$287,910,000. The number of active mills reporting to the Bureau was 6,481 compared with 6,001, and their employees averaged 55,426 compared with 49,352, with salary and wage payments at \$83,360,000 compared with \$63,811,000. The net value of production, or value added by manufacture, was \$190,515,000 compared with \$129,408,000 in 1946.

ALL-TIME HIGH WAGES: Average weekly wages paid to hourly-rated wage-earners employed by the larger manufacturing establishments in Canada showed a further rise at November 1, reaching an all-time high figure of \$42.59 as compared with \$42.40 a month earlier, and \$41.16 in the corresponding week of 1948. In the heavy manufactured goods class the average at November 1 was \$46.18 as compared with \$46.35 at October 1, and \$44.67 on November 1, 1948, while in the non-durable goods division, the average stood at \$39.21 compared with \$38.68 at October 1 and \$37.76 a year earlier.

Hourly earnings at November 1 averaged 99.5 cents, also a new maximum figure, as compared with 99.3 cents at October 1, and 95.5 cents at November 1, 1948. Increases in wage-rates in some industries, accompanied by changes in the industrial distribution of the hours reported accounted for most of the increase in the heavy manufacturing industries, in which the earnings at November 1 averaged 107.9 cents compared with 107.8 cents at October 1, and 103.4 cents at November 1, 1948. In the non-durable division the hourly rate was 91.4 cents compared with 91.0 cents at October 1, and 87.6 cents a year earlier.

RECORD VEHICLE ENTRIES: Foreign vehicles entering Canada on traveller's vehicle permits rose to a new record total in 1949, increasing 9.1 per cent over the previous high reached in 1948. The greatest improvement over the preceding year was in the Maritimes and Prairie Provinces. The aggregate number of entries into Canada during the calendar year 1949 amounted to 1,990,595 as compared with 1,823,988 in the preceding year and 1,663,853 in 1946.

WHOLESALE SALES DOWN: Sales of wholesalers in November were two per cent below the dollar volume for November 1948 and three per cent lower than in October. Cumulative sales for the first 11 months of 1949 were three per cent higher in dollar volume than in the corresponding period of 1948. The general unadjusted index, on the base, average for 1935-39=100, stood at 306.7 as compared with 314.8.

WORKMEN'S COMPENSATION REVIEW: The Minister of Labour, Mr. Mitchell, announced on January 23 publication of the 1949 edition of "Workmen's Compensation in Canada, A Comparison of Provincial Laws".

This bulletin was prepared by the Legislation Branch of the Department of Labour and shows the legislative changes made in 1949, the Minister explained. These changes include the enactment of a new Workmen's Compensation Act in Prince Edward Island, effective July 1, 1949, and amendments to the Acts of Nova Scotia, Ontario, Quebec and Saskatchewan. The pamphlet contains a summary of the Newfoundland Workmen's Compensation Act.

Mr. Mitchell pointed out that all Canadian Provinces now had a law that provided compensation for industrial accidents, but that the Newfoundland Act was unlike that of the other Provinces in that it makes employers individually liable for injuries to their workmen occurring in the course of employment. In the other Provinces, the statute is of the collective liability type.

The pamphlet shows that under the Prince Edward Island Act, benefits for disability are two-thirds of earnings and the maximum earnings on which compensation is reckoned are \$2,500 a year. A widow is entitled to receive \$40 a month, with \$10 a month for each child under 16.

Provision was made for the payment of increased amounts of compensation in cases of total disability in Saskatchewan. Children's benefits were raised in Nova Scotia, and the maximum annual earnings on which compensation is reckoned were raised from \$2,000 to \$2,500.

Effective January 1, 1950, in Ontario, the basic rate of compensation for disability was increased from 66 2/3 to 75 per cent of average earnings, and the maximum yearly earnings on which compensation is reckoned from \$2,500 to \$3,000. By an amendment effective from July 1, 1948, the monthly compensation payable in death cases, exclusive of burial expenses and the lump sum of \$100, may not exceed the workman's average earnings, instead of two-thirds of such earnings, as formerly. Where the total sum payable would exceed average earnings, the compensation must be reduced but the reduction is not to affect the payment of \$50 to a widow, with \$12 to each child or \$20 to each orphan child, unless the total benefits to such dependents exceed \$100 a month.

In British Columbia, the list of industrial diseases to be compensated was greatly extended.

CARLOADINGS: Carloadings on Canadian railways during the week ended January 14 amounted to 65,729 cars, up from the preceding week's total of 54,498 cars, but down 9,716 or 12.9 per cent from last year's corresponding total of 75,445 cars.

RETAIL SALES UP IN NOVEMBER: Canada's retail trade in November showed a small rise of two per cent in dollar volume over the corresponding month of 1948, continuing the moderate rate of advance shown in the October figures which rose by a similar percentage. The November gain compares with an average increase of 6.5 per cent in the first 10 months of the year. Sales in November were valued at \$661,000,000 as compared with \$697,000,000 in October and \$650,000,000 in November, 1948.

There were increased sales reported in 12 trades and declines in nine as compared with November, 1948. With few exceptions, the percentage changes fell within a narrow margin of the overall increase of two per cent for all trades. Largest increases were those of 15 per cent for coal and wood yards, 12 per cent for shoe stores, and nine per cent for garages and filling stations.

Sales of motor vehicle dealers were practically unchanged in November from the previous year, a result which contrasts with the large gains recorded throughout the earlier part of 1949. Shipments of motor vehicles to dealers fell off during the month due in part to strikes affecting motor vehicle production and there was slowing of production in some plants for assembly-line changeover.

EXERCISE "SWEETBRIAR": Familiar newspaper expressions of the Second World War--"blitzkrieg," "lightning warfare" and their ilk, are expected to be strangely missing from the despatches of news correspondents covering the joint Canada-U.S. Exercise "Sweetbriar" in the Yukon and Alaska next month. Nor will "sitzkrieg" be entirely in order, although some half-frozen reporter may wistfully recall the expression as he keeps in continual motion to avoid freezing to death, an Army news release reports.

There are no "lightning" assaults or counter-attacks, northern experts point out, when the thermometer reaches 40 or 50 below zero. At that temperature a man must devote almost all his energies to keeping alive, and if he hasn't learned his lessons in the art of cold-weather living the chances are that Nature will get him before the enemy does.

What happens when the temperature starts plummeting? Well, ordinary diesel oil begins to solidify at 30 below. Mercury thermometers freeze at 38 below and storage batteries lose more than half their power at low temperatures. A man literally can freeze his lungs by gulping too much air at minus forty. Rubber tires freeze solid and crack. Engines won't start. Drinking water freezes in a few moments. Instruments with delicate moving parts often "freeze" because of the contraction properties of different metals. Steel becomes brittle and snaps or shatters. Food rations freeze so solid that almost everything must be heated in the field. To keep warm a man must wear such

heavy mittens and boots that he cannot easily operate instruments and knobs, nor depress the clutch of his vehicle without also applying the brake. If he touches any metal with his bare hands his skin tears away when he tries to let go. Medicines freeze and burst their bottles. Radio waves are freakish and the frozen ground lacks conducting properties for the efficient grounding of radio, telephone and telegraph equipment.

"INVASION" OF ALASKA: Whitehorse, Y.T., Jan. 27
Rushed into the Yukon interior by motor convoys and Air Force troop carriers, Canadian and American troops with their equipment and supplies are being concentrated here to repel a theoretical airborne invasion of Alaska by an "enemy" Aggressor.

The Allied Force of Exercise "Sweetbriar" is assembling here for a counter-attack to be launched February 13. It will strike at Aggressor troops approaching the Alaska Highway and will be climaxed by a mass jump on February 23 by Canadian paratroopers at Northway, air field in eastern Alaska. This will be the first peacetime air assault ever undertaken under mid-winter conditions in the sub-Arctic.

Approximately 4,700 Canadian and United States ground and air force personnel and 500 Aggressor troops, provided by the U.S. Alaskan Command, 5,200 in all, are taking part in Exercise "Sweetbriar", first troop-training manoeuvre of its kind ever jointly conducted by the Armed Forces of the two countries.

It follows up a series of controlled winter-training exercises conducted individually by Canada and the United States in the Far North since the Second World War. Battalion combat teams of both countries will be involved, with both tactical and carrier air support.

"COMBAT SITUATION"

The "combat situation" of the exercise to date is this: Aggressor has deprived the Allied forces of the use of strategic bases in the Fairbanks-Anchorage area of Alaska and threatens territorial conquest of Canada and the United States.

Commanders directing the manoeuvre state that the general objectives of Exercise "Sweetbriar" are to develop doctrine, procedures, and technique for the employment of combined Canadian and United States armies and air forces operating in the Arctic. Service testing, under Arctic conditions in the field, of the latest developments in clothing, emergency food rations, vehicles, weapons, and other equipment and material, is also a major purpose of the exercise.

It is anticipated that from "Sweetbriar" may come new concepts in basic doctrine of both nations with regard to combined and joint operations in the sub-Arctic, and much additional data for current United States and Canadian military field manuals on Arctic operations.

Sub-zero temperatures, often ranging as low as 40 to 60 degrees below, are customary at this time of the year in the manoeuvre area. It is an area, however, in which calm conditions, with little wind and a deceptive, dry cold, prevail during the period January-February.

MR. MITCHELL'S LABOUR STATEMENT: The following is the partial text of the statement on labour conditions broadcast from Ottawa this week, by the Minister of Labour, Mr. Mitchell:

"...In view of the buoyancy and strength of domestic demand, the size and ever-increasing diversity of our industrial output, and the often expressed determination of our own, and other leading nations, to cooperate in restoring a balance in international trade, I am confident that our economy will continue to be maintained during the coming months at a high level of production and employment.

"In December last, the labour force of Canada was estimated to be 5,200,000 persons. This figure is the highest for the month of December in the history of Canada.

"Of this 5,200,000 there were 261,000 unemployed applicants registered in the National Employment Offices across Canada.

"Seventy-one, decimal one per cent of the total were either in receipt of unemployment insurance benefits or were persons whose claims were being processed.

"Not all actually were out of work. Quite a number had jobs but wanted to change--while there were others who had found jobs but had not informed their local offices.

"The increase in workers looking for jobs is due mainly to seasonal fluctuations of production in many Canadian industries.

"There is, for example, the falling off in employment in woods operations in Eastern Canada, where it is estimated that 35,000 fewer men are employed this season than last. This situation is largely due to a decline in the planned carry-over in pulp wood. The number in British Columbia is also down for the same reason...

"This adverse and abnormal weather in the West has interfered with construction work, and no improvement can be looked for until there is a climatic change for the better.

"In addition to the usual seasonal influences, and the special circumstances I have just mentioned, a considerable portion of current unemployment results from the continuing growth of the Canadian labour force.

"During the past year, the growth of the total labour force has amounted to 120,000, while the number actually at work has increased by close to 100,000.

"Reports reaching me indicate that plans are being completed for many projects consisting of industrial buildings, road construction, and municipal improvements which will be proceeded with in the early spring..."

NEW DEPARTMENT OF RESOURCES AND DEVELOPMENT

OUTLINE OF RESPONSIBILITIES: The new Department of Resources and Development combines federal Government responsibilities in the following fields, the Department announced today: forests, water resources not specifically assigned to any other Department, wildlife, the Northwest Territories and Yukon administrations, the National Parks and Historic Sites and Battlefields Commission, all federal Crown lands not dealt with by any other Branch of the Government, the tourist industry, housing, the planning and development of public projects and services, including the Trans-Canada Highway, the National Museum of Canada.

It is expected that the Head Office will be in the Langevin Block where the Minister, the Deputy Minister, the Director of Administration and a number of other officers will be located. The Hon. R.H. Winters is the Minister of the new Department. Deputy Minister, H.L. Keenleyside, formerly Deputy Minister of Mines and Resources, remains Commissioner of the Northwest Territories.

The Department is divided into five Branches, each under a Director, these are:- Administration, C.W. Jackson; Development Services, R.A. Gibson; Public Projects, J.M. Wardle; Forestry, D.A. Macdonald; Canadian Government Travel Bureau, D.L. Dolan.

The Divisions which serve the Department as a whole, Administration, Economic, Legal, Personnel, Editorial and Information, and Purchasing are centralized in the Administration Branch. Chief Administrative Officer is R.K. Odell. Division heads are as follows:- Economic, C.H. Herbert; Legal, W. Mason; Personnel, A.C. Wimberley; Editorial and Information, A.J. Baxter; Purchasing, to be appointed.

Departmental services which relate to the development of natural resources, other than forests, are combined in this Branch. Included are the Divisions of Water Resources, Wildlife, National Parks and Historic Sites and Battlefields Commission, Lands, and the National Museum of Canada. The Water Resources Division

is a continuation of the former Dominion Water and Power Bureau. Divisions, with Chiefs, are as follows:- Water Resources, Norman Marr; Wildlife, Dr. H.F. Lewis; National Parks and Battlefields Comm., James Smart; Lands, G.E.B. Sinclair; National Museum of Canada, Dr. F.J. Alcock, Chief Curator; Administrative, A.C.L. Adams.

The Northwest Territories and Yukon Administrations and the Engineering and Construction Service also come under the direction of the Head of this Branch.

The Northwest Territories and Yukon Services are to be centralized under a Chief and will be known as the Northern Administrations. This officer has not yet been appointed. The other principal officers are:- Yukon-Mackenzie River, C.K. LeCapelain; Arctic, J.G. Wright; Administrative, J.E. Doyle.

The principal officers of the Engineering and Construction Service, under the Chief, C.V.F. Weir, are as follows:- National Parks Engineering, C.M. Maxwell; General Engineering, R.A. Campbell; Architectural, C.H. Buck; Administrative, R.D. McAuley.

In view of the importance of the Forest industry to the Canadian economy, and the increased demand on departmental services which are resulting from the passing of the Canada Forestry Act, the Dominion Forest Service becomes the Forestry Branch, under the direction of D.A. Macdonald, former Dominion Forester. The Branch is organized in three main Divisions, Forestry Research, Forest Products Research, Forestry Operations.

The Special Projects and Public Projects Divisions of the former Departments of Mines and Resources and Reconstruction and Supply, and the administration of the Trans-Canada Highway Act, have been joined in this Branch, and are under direction of the former Director of Special Projects of Mines and Resources, J.M. Wardle. The four main Divisions are: Trans-Canada Highway, Federal Projects, Joint Projects; and Capital Investment Registry.

MOTOR VEHICLES RECORD: Registration of motor vehicles in Canada in 1948 reached an all-time record total of 2,035,000, showing an increase of 199,000 or 11 per cent over the 1947 total of 1,836,000. There were increased registrations in all provinces and for all types of motor vehicles. Passenger cars numbered 1,496,800 compared with 1,370,200, commercial vehicles 504,200 compared with 439,700, and motor cycles 33,900 compared with 26,100.

Revenues from registrations, licences, etc., and the gasoline tax rose to \$175,619,000, or six per cent above 1947 receipts. Gasoline tax accounted for \$124,331,000 of this sum, or nearly four per cent more than in the previous year. Sales of gasoline on which tax was paid

amounted to nearly 1,231 million gallons against 1,121 million the year before.

Taking into account registrations of all types of vehicles, the number of motor vehicles in Canada averaged one per 6.4 persons in 1948 as compared with 6.9 in 1947. Including only passenger cars, there was an average of 8.8 persons compared with 9.2 in 1947, and 10.0 in 1946.

MR. GREGG HONORARY COLONEL: One of the Maritime's oldest infantry units, The West Nova Scotia Regiment has honored its one-time commanding officer, the Minister of Veterans Affairs, Mr. Gregg, by selecting him as Honorary Colonel of the regiment.

D.C. and were further discussed and clarified at a second meeting at Harwell, England, in September 1948, and a third meeting at Chalk River, Canada, in September 1949.

At the forthcoming meeting, the discussions which started at the Chalk River meeting, will continue. These discussions will take account of the announcement on September 23rd, 1949, of the atomic explosion in the USSR. Recommendations resulting from the discussions will be reported to the atomic energy agencies of the three Governments for review before any final revisions in the uniform declassification guides are made.

Representing the three nations at the declassification meeting will be:

CANADA: Dr. W.B. Lewis, Director of the Division of Atomic Energy Research, Chalk River.

Dr. L.G. Cook, Head, Chemistry Branch, Atomic Energy Project, Chalk River.

Mr. C.W.E. Walker, Atomic Energy Project, Chalk River, Secretary.

UNITED STATES: Dr. Warren C. Johnson, Chairman, Department of Chemistry, University of Chicago, and senior responsible reviewer, United States AEC declassification system.

Mr. Bennett Boskey, Deputy General Counsel, United States AEC, legal adviser.

Dr. Frederic De Koffmann, Assistant to the Assistant Director of the Los Alamos Scientific Laboratory and Secretary to the Committee of Senior Responsible Reviewers, United States AEC declassification system.

Dr. J.M.B. Kellogg, Division Leader, Los Alamos Scientific Laboratory, and senior responsible reviewer, United States AEC declassification system.

Dr. Willard F. Libby, Professor of Chemistry, Department of Chemistry, University of Chicago, and senior responsible reviewer, United States AEC declassification system.

Dr. Cyril Smith, Director, Institute of Metals,

University of Chicago, and member of General Advisory Committee to the United States AEC.

Dr. Robert L. Thornton, Professor of Physics, University of California, and senior responsible reviewer, United States AEC declassification system.

Dr. James G. Beckerley, Director of Classification, United States AEC, Secretary.

UNITED KINGDOM: Sir John D. Cockcroft, Director of Atomic Energy Research Establishment, United Kingdom.

Dr. H.J. Emeleus, Professor of Chemistry, Cambridge University.

Dr. D. Hanson, Professor of Metallurgy, University of Birmingham.

Dr. R.E. Peierls, Professor of Theoretical Physics, University of Birmingham.

Mr. M.W. Perrin, Deputy Controller of Production (Technical Policy) of Atomic Energy, United Kingdom.

Dr. J.H. Awbery, Principal Scientific Officer, Division of Atomic Energy, United Kingdom, Secretary.

Mr. J.F. Jackson, Senior Principal Scientific Officer, Division of Atomic Energy, United Kingdom, Secretary.

CONCERT FOR UNICEF: On Tuesday, January 24, the Toronto Symphony Orchestra, conducted by Sir Ernest MacMillan, devoted a special concert in Massey Hall, Toronto, to the United Nations International Children's Emergency Fund. The Globe and Mail, of Toronto, reported, in part, as follows:

"...It was appropriate enough at a concert dedicated to the world's homeless children, that the soloist should appear in pigtails. Elizabeth Auld played two movements of the Haydn piano concerto in D major. There are aspects of the Larghetto a bit beyond a thirteen-year-old, but she made tinkling mirth of the Finale...."



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WEEK'S EVENTS IN REVIEW

DELEGATION TO ECONOMIC AND SOCIAL COUNCIL:

The Acting Secretary of State for External Affairs, Mr. Claxton, on January 19, announced the composition of the Canadian Delegation to the 10th Session of the Economic and Social Council which opens in New York on February 7.

The Delegation is as follows:

Representative:

Mr. Raymond Eudes, M.P.

Alternate Representatives:

Dr. George Davidson, Deputy Minister of Welfare, Department of National Health and Welfare; and Mr. S.D. Pierce, Associate Deputy Minister, Department of Trade and Commerce.

The Principal Adviser to the Delegation will be Mr. John W. Holmes, Head of the United Nations Division in the Department of External Affairs. After the departure of General McNaughton, Mr. Holmes will serve as Acting Head of the Permanent Delegation in New York for a period which will include the 10th Session of the Economic and Social Council.

Other advisers will be drawn from among officials in Ottawa and at the Permanent Delegation in New York.

The Economic and Social Council is composed of 18 countries elected by the General Assembly for a period of three years. Canada was one of the original members and served until the end

of 1948. After an absence of one year, Canada returns to the Council for a second three-year term ending December 31, 1952.

PARLIAMENT RE-OPENS FEBRUARY 16: The second Session of Canada's 21st Parliament will open Thursday, February 16, it was announced on January 17 by the Prime Minister, Mr. St. Laurent.

The Prime Minister also announced the appointment of Walter E. Harris, Parliamentary Assistant to the Prime Minister, to be Minister of the new Department of Citizenship and Immigration.

The former Minister of Mines and Resources, Mr. Gibson, has been appointed to the Bench of the Ontario Supreme Court, Appeal Division. The former Minister of Reconstruction, Mr. Winters, assumes the new portfolio of Resources and Development, and the Minister of National Revenue, Dr. McCann, is taking over the new Department of Mines and Technical Surveys, and retaining his present portfolio.

Mr. Ralph Maybank, Parliamentary Assistant to Mr. Gibson, becomes Parliamentary Assistant to the Minister of Mines and Technical Surveys.

Judicial appointments announced include the promotion of Mr. Justice J. Keiller Mackay of the Ontario High Court to fill the other vacancy in the Court of Appeal and appointment of J.M. King, K.C., of Stratford to succeed him on the High Court Bench.

NINE MONTHS' SURPLUS \$299,100,000

REVENUES DECREASE: The Minister of Finance, Mr. Abbott, on January 14, released the monthly statement of the Comptroller of the Treasury covering revenues and expenditures for the month of December and the fiscal year to date.

Total revenues of the Government for the month of December amounted to \$199.6 million, down 9.4% from the \$220.2 million of December 1948. For the first nine months of the current fiscal year total revenues amounted to \$1,836.4 compared with \$1,956.2 for the same period a year ago, a decrease of \$119.8 million or 6.1%.

Excise taxes collected in December \$49.2 million were down some \$6.6 million from \$55.9 million a year ago and have dropped about 10.2% in the fiscal year to date or from \$455.1 million to \$408.7 million. Personal income taxes collected in December amounted to \$35.6 million as compared with \$46.6 million in the same month of 1948. For the first nine months of the fiscal year collections in this classification totalled \$471.9 million as compared with \$564.8 million in the same period of 1948, a reduction of \$93.0 million or 16.5%. These declines due to reductions in the tax rates were in the nine months to date partly offset by an increase in corporation income tax of \$72.3 million.

Total expenditures in the month of December were \$200.3 million compared with \$170.2 mil-

lion in December 1948. Aggregate expenditures for the first nine months of the fiscal year were \$1,537.4 million, an increase of \$191.0 million or 14.2%. Increases in expenditures in the nine months were principally accounted for by: National Defence, \$76.6 million; Family Allowances, \$19.5 million; Old Age Pensions, \$9.7 million; expenditures by the Department of Mines and Resources, \$12.7 million including Payments under the Emergency Gold Mining Assistance Act; and compensation to Provinces under the Tax Rental Agreements, \$8.9 million. Principal decreases in expenditures in the same period were: Interest on the Public Debt, \$7.1 million; and Department of Veterans' Affairs, \$31.9 million.

Expenditures for December exceeded revenues by \$769,000, thereby reducing the budgetary surplus for the first nine months to \$299.1 million compared with \$609.8 million in the same period a year ago. As in previous years, expenditures in the closing months of the year are expected to exceed revenues by substantial amounts and thereby reduce correspondingly the surplus for the full year.

The budgetary surplus of \$299.1 million does not take into account certain loans, advances and investments made by the Government totalling \$22.8 million in December, and \$176.0 million in the first nine months of the fiscal year.

CIVIL AVIATION DISCUSSIONS: The Department of External Affairs announced on January 13, that the civil aviation discussions between representatives of the Governments of the United States and Canada which have been concluded were carried on in the traditional atmosphere of mutual confidence and cordiality which always exists between the two Governments. The consultations covered a wide field of questions relevant to the Bilateral Air Transport Agreement of June 4, 1949, between the United States and Canada, including the operations of Colonial Airlines between Canada and the United States and the contemplated operations of a Canadian carrier between the United States and Canada, as provided for under the terms of the Agreement.

Under the terms of the bilateral Air Transport Agreement of June 4, 1949, which was entered into by the two Governments with the object of insuring mutuality of benefit, a Canadian carrier is to be authorized to operate on the Montreal-New York route, which, under the terms of the Inter-governmental Agreement is to be flown by both United States and Canadian air lines.

As it is inequitable, having regard to the terms of the Air Transport Agreement of June 4, 1949, that a Canadian carrier should be denied the right to operate on the Montreal-New York

route while Colonial Airlines continues to do so pending a final adjudication in the courts of the United States of the validity of the Air Transport Agreement, the representatives of the United States have agreed that the United States will not designate a United States carrier to operate the direct New York-Toronto route, nor will the United States expect the Air Transport Board to licence a United States carrier on the trans-border route from Great Falls to Edmonton, until such time as the United States authorities are in a position to grant authority to a Canadian carrier to operate between Montreal and New York. These routes represent two of the new rights granted to the United States under the 1949 Air Transport Agreement.

In the meantime, successful efforts have been made to expedite the proceedings in the courts of the United States. On January 5, 1950, there was filed with the Supreme Court of the United States a motion urging that the decision of the lower court in favour of the United States Government become effective at once unless prompt action was taken by Colonial Airlines to prosecute an appeal to the Supreme Court of the United States. Agreement was reached by the interested parties to the appeal, which was approved by the Chief Justice of the United States Supreme Court, that the

appeal will be pressed, and that on the assumption that the Supreme Court of the United States decides to entertain the appeal of Colonial Airlines from the decision against it in the lower court, the case is to be argued on February 17, 1950. The United States representatives gave assurance that if the decision of the Supreme Court is favourable the Civil Aeronautics Board would submit to the President with the greatest expedition their decision concerning the application of TCA to operate between Montreal and New York.

The Air Transport Board issued the following statement:

The Board has noted that the United States Government has arranged for a hearing on February 17 by the Supreme Court of the United States of the case instituted by Colonial Airlines to determine the validity of the Bilateral Air Agreement between Canada and the United States. In the circumstances the Board does not propose to take the action with respect to Colonial Airlines which it considers it would be justified in taking in other circumstances. The Board has been informed that further inter-governmental discussions will take place if the decision of the Supreme Court makes this desirable.

SEAMEN'S VOCATIONAL TRAINING: In a joint statement on January 13 the Departments of Transport and of Veterans Affairs gave further details on the Order-in-Council under which the period in which certain merchant seamen may apply for vocational training has been extended. Under the original plan the cut-off date for applications was June 30, 1949. Under the new Order-in-Council this has been extended until September 30 of this year. It is not essential for applicants to commence their training at once for under the new plan they will be given six months from the date of application to actually commence their course. This period can be further extended in certain cases because authority is given to the Minister of Transport to defer the commencement of training when it appears to be advisable but the application still must be made prior to September 30 of this year.

As was the case in the previous Order, applicants for training should be under thirty years of age but the Ministers of the Departments have the authority to provide training over the age of thirty if the seaman is unemployed and domiciled and resident in Canada. Another condition of eligibility is that the applicant must have received or have been eligible for the bonuses paid to those who served in the merchant seaman's manning pool during World War II.

FARM PRICES LOWER: Farm prices of agricultural products were lower on the average in November than October, according to the monthly figures compiled by the Bureau of Statistics.

The Bureau's all-Canada index, on the base 1935-39=100, is tentatively estimated at 246.0 as compared with 247.1 in October and 258.0 in November, 1948. The month's decrease continues a more or less general decline since August 1948, when the index reached a peak of 263.9. Since that time the index has dropped about seven per cent and for November was at the lowest level since April, 1948, when it stood at 242.6.

As compared with November, 1948, prices were lower for grains, livestock, dairy products, poultry and eggs, and higher for potatoes. Compared with the preceding month, the November farm prices were down for livestock, potatoes, and poultry and eggs.

COST-OF-LIVING INDEXES: Cost-of-living indexes for the eight regional cities presented mixed changes during November. Food indexes were moderately lower for all cities, but slight increases in rentals at certain centres were sufficient to overbalance declines for the former indexes. Index changes for other groups were generally narrow. Home furnishings and services for Saint John rose 4.7 points during the month, due to increases in telephone rates, while the miscellaneous index for Winnipeg moved up 1.1 points, reflecting advances in street car fares and gasoline.

The composite cost-of-living index for Edmonton declined 0.7 points to 156.4 between November 1 and December 1, Halifax 0.6 points to 153.6, Vancouver, 0.4 points to 161.9, Montreal 0.2 points to 164.1, and Saskatoon 0.1 points to 162.7. The index for Toronto rose 0.2 points to 157.4, Saint John 0.1 points to 158.0, while there was no change in the Winnipeg series which stood at 155.7. During the same period the national index declined 0.2 points to 160.2.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on January 5 totalled 165,976,000 bushels as compared with 167,416,000 on December 29, and 169,702,000 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces during the week amounted to 1,900,600 bushels compared with 3,439,000 a year earlier, bringing the cumulative total for the crop year to January 5 to 239,257,000 bushels as against 234,140,000.

CARLOADINGS: Carloadings on Canadian railways during the week ending January 7 amounted to 54,498 cars as compared with 49,011 in the preceding week and 67,999 in the corresponding week last year. Loadings in the eastern division totalled 36,814 cars against 43,704 a year earlier, while western volume was down from 24,295 to 17,684 cars.

FAVOURABLE BALANCE WITH U.S. IN NOVEMBER

RECORD EXPORTS: With exports the highest of the year by a substantial margin and imports only slightly above the average of the previous 10 months, Canada's credit balance in November in commodity trade with all countries was the largest of any month in 1949, amounting to \$55,900,000 as compared with \$37,400,000 in October and an average of \$13,000,000 for the 10 months January to October. The November balance was slightly below that of \$58,200,000 for November, 1948, but more than double the figure of \$26,900,000 for November, 1947.

For the 11 months ending November, the cumulative credit balance was \$186,400,000 as against \$385,800,000 in 1948 and \$161,100,000 in 1947.

Domestic exports in November were valued at \$292,300,000 as compared with a monthly average of \$241,500,000 for the January-October period, and re-exports at \$3,200,000 as against an average of \$2,360,000; while imports amounted to \$239,600,000 compared with an average of \$230,800,000 for the previous 10 months. For the 11 months ending November, the aggregate value of domestic exports was \$2,707,400,000, re-exports \$26,800,000, and imports \$2,547,800,000.

In contrast with the customary large debit balances in the previous months of the year, Canada had an export balance of \$10,900,000 in November trade with the United States. This resulted from a record value of \$171,300,000 for exports, while the value of imports at \$162,700,000 was slightly below the average of

\$163,800,000 for the earlier months. For the 11 months, the debit balance with the United States on commodity account aggregated \$438,500,000 compared with \$273,700,000 in 1948 and \$84,200,000 in 1947.

Due to a rise over October in imports from the United Kingdom and a drop in exports, Canada's credit balance with that country fell off in November to \$30,700,000 from \$53,300,000 in October but was slightly above the balance of \$28,600,000 for November, 1948. For the 11 months the credit balance was moderately higher at \$372,400,000 compared with \$365,200,000 for January-November, 1948.

The reduction in the size of Canada's export balance from trade with all countries in the 11 months is mainly the result of the higher level of Canadian imports which was characteristic of the first seven months of the year, the 11-month total of \$2,547,800,000 comparing with \$2,405,000,000 for the like period of 1948. Domestic and foreign exports during the period were only slightly less than in 1948.

Both in 1949 and 1948 a considerable part of the surplus resulted from heavy exports in the later months of the year. Last year the volume of exports in the aggregate appears to have been less than in 1948, while the volume of imports increased appreciably. At the same time average prices appear to have been slightly higher in 1949 than in 1948 in the case both of exports and imports.

HOME-BUILDING UP 23.4 PER CENT: More than 72,000 dwelling units were completed in Canada during the first 10 months of 1949, an increase of 13,600 or 23.4 per cent over the same period of 1948. Starts, on the other hand, were down slightly, totalling 76,800 as compared with 78,600, a decline of 2.2 per cent. The number under construction at the end of October was 61,000 units as compared with 62,900, showing a decrease of three per cent.

In October, 9,059 units were completed, well above the September total of 7,563 and also higher than the October 1948 completions of 8,164 units. Starts were made in October on 8,964 units, down from the September total of 10,035, but considerably above October 1948 when starts were made on 7,437 units.

Increased numbers of dwelling units were completed in all provinces except New Brunswick and British Columbia in the first 10 months of 1949. Ontario led with a total of 25,630 completions as compared with 20,811 a year earlier, Quebec following with 19,191 compared with 15,873, British Columbia 8,626 compared with 8,910, Alberta 7,697 compared with 3,680,

Manitoba 3,817 (3,326 in 1948), Saskatchewan 3,040 (2,337), Nova Scotia 2,499 (1,847), New Brunswick 1,319 (1,461), Prince Edward Island 238 (157).

During the first 10 months of 1949, the percentage of dwelling units built for rental purposes was estimated at 27.5, slightly higher than the figure for the same period of 1948.

MR. CHANCE U.N. COMMITTEE CHAIRMAN: The Economic and Social Council's 13-member ad hoc Committee on Statelessness and Related Problems began this week a series of meetings with a view to recommending measures for improving the international status of refugees and stateless persons, and means of eliminating statelessness.

Mr. Leslie G. Chance (Canada) was elected Chairman upon the nomination of the United Kingdom; Mr. Knud Larsen (Denmark) was elected Vice-Chairman upon the nomination of Turkey; and Mr. Ramiro Saraiva Guerreiro (Brazil) was elected Rapporteur upon the nomination of Venezuela.

DELEGATES TO GENEVA CONFERENCE: The Minister of Labour, Mr. Mitchell, on January 17, announced the names of Canada's delegates to an ILO Preparatory Technical Conference on Vocational Training of Adults, Including Disabled Persons, to be held at Geneva from January 23 to February 3, 1950.

Brigadier J.E. Lyon, Assistant Director, Canadian Vocational Training Branch, Department of Labour, Ottawa, will be the Canadian Government representative. Representing the Employers of Canada will be Roy L. Campbell, Secretary, Canadian International Paper Company, Montreal, P.Q., while William H. Burnell, First Vice-President, International Brotherhood of Pulp, Sulphite and Paper Mill Workers, Cornwall, Ontario, will represent labour.

The Minister explained that the Governing Body of the International Labour Organization had decided to call this conference since the question of vocational training had recently come into special prominence throughout the world. The training of disabled persons in particular had become a matter of special urgency as a result of World War II.

This conference would pave the way for discussions on the subject at the International Labour Conference next summer, by providing an opportunity for representatives of the various countries to consider draft international regulations embodying principles and methods for the successful operation of training schemes for adult workers, including the disabled.

WELFARE WORK AMONG INDIANS: A new emphasis is being given to social welfare work among Canadian Indians, according to an announcement made on January 17 by the Minister of Mines and Resources, Mr. Gibson. Three Social Workers have been named to the staff of the Indian Affairs Branch, and six others will be appointed in the near future, to carry out welfare duties on behalf of the Indian population in all parts of the country.

Duties to be performed by these Social Workers are many and varied. They include care of the aged, guidance of children graduating from Indian schools, the organization of women's clubs, instruction in sewing, canning, and sanitation, and assistance to young Indians stranded in cities or towns.

Two of the new officers have been assigned to posts in Ontario, and the third will assume social service duties in Manitoba.

GRANTS TO HOSPITALS: Hospitals in Hazelton, B.C., Gainsborough and Regina, Sask., and a medical nursing unit in Wawanessa, Man., have been awarded grants under the federal plan to aid hospital building the Minister of National Health and Welfare, Mr. Martin, has announced.

LABOUR INCOME AT ALL-TIME HIGH: Estimated total of salaries and wages and supplementary labour income in Canada reached an all-time high of \$663,000,000 in October, showing an increase of \$1,000,000 over the preceding month and a rise of \$30,000,000 over the October 1948 total of \$633,000,000. This raised the aggregate for the first 10 months of 1949 to \$6,327,000,000 from \$5,867,000,000 in the like period of 1948, or by 7.8 per cent, gains occurring in all main categories except the primary industries, the Bureau of Statistics announces.

Labour income in agriculture, logging, fishing, trapping and mining in the month was down to \$53,000,000 from \$54,000,000 in September and \$57,000,000 a year earlier. The 10-month total for this group was lower at \$488,000,000 compared with \$514,000,000 in the same period of 1948.

In manufacturing, labour income in October totalled \$219,000,000 as against \$220,000,000 in September and \$213,000,000 in October, 1948. In the 10 months ended October the group total was \$2,147,000,000 against \$1,997,000,000 a year earlier.

In construction the month's labour income was \$52,000,000 compared with \$53,000,000 in September and \$48,000,000 a year ago, and in the 10 months, \$436,000,000 compared with \$393,000,000.

The estimated total for utilities, transportation, communication, storage and trade was \$175,000,000 in October compared with \$174,000,000 in September and \$164,000,000 in October, 1948, bringing the 10-month figure to \$1,671,000,000 as against \$1,516,000,000 a year earlier.

In finance and services -- including government -- the month's labour income amounted to \$141,000,000 compared with \$138,000,000 in September and \$130,000,000 a year ago. In the 10 months the aggregate stood at \$1,371,000,000 compared with \$1,251,000,000.

Supplementary labour income in October totalled \$22,000,000, unchanged from September, but \$1,000,000 above October, 1948. In the 10 months the aggregate was \$207,000,000 compared with \$194,000,000.

LEADING MINERALS: Output of 11 of 16 of Canada's leading minerals in September was higher than in the corresponding month of 1948, while in the first nine months of the year, production was advanced in 12 of the 16 items.

Output was as follows in September, totals for the same month of 1948 being in brackets: asbestos, 71,963 (68,424) tons; cement, 1,559,238 (1,481,347) barrels; clay products, \$1,707,670 (\$1,733,697); coal, 1,744,205 (1,578,467) tons; copper, 44,223,948 (39,177,650) pounds; gold, 364,301 (294,963) fine ounces; gypsum, 378,008 (347,081) tons; iron ore, 483,469 (234,236) tons.

MR. ST. LAURENT ADDRESSES BUILDERS: The following is the partial text of the address delivered by the Prime Minister, Mr. St. Laurent, before The Canadian Construction Association, in Montreal, on January 16:

"...In extending the frontiers of development, we have uncovered a wealth of new resources. This nation is endowed with greater potential wealth per capita than any other people. Much of that wealth - and I believe most of it - remains to be developed. And development means construction and still more construction. That is why I believe construction will long remain the watchword of the Canadian nation.

"I also believe - and I am convinced that the majority of Canadians also believe - we can best develop our resources and build up our national economy by giving the widest possible scope to private endeavour. I am more convinced than ever that the skill, ingenuity and foresight of Canadians as individuals will bring the most rapid and the most effective development of this country.

"But I do not believe that private endeavour and action by Government are naturally opposed to each other. In all our great periods of development there has been close co-operation - sometimes almost a partnership - between private endeavour and public enterprise....

RESPONSIBILITY OF GOVERNMENTS

"We do not want to see the greater part of construction undertaken by Governments. Of course we know Governments today have much more to do than maintain law and order and build a few roads and breakwaters.

"We must try to direct all our economic policies in such a way as to create conditions in which businessmen, builders, contractors, workers, in fact all our people are encouraged to make their most useful contribution to the activity of the whole community....

"Activity in the construction industry is still as buoyant as it has been since the end of the war, but it may be that we will shortly be moving into a new phase in which demand will not be quite so insistent.

"That may not be altogether a bad thing. I am sure that many of you must have felt in recent years that a period of consolidation would have to come; that the spiral of increasing costs could not continue; and that, in the long run, everyone in the community, including your own industry, would benefit by the return of some pressure for higher productivity and somewhat lower construction costs.

"In looking to the future everyone counts upon the construction industry to do its full part in maintaining a high level of employment throughout the country. But it would be wrong to assume that the construction industry alone can be an adequate instrument to stabilize the whole economy.

"I don't believe the industry itself would want us to try to meet all employment problems

with additional construction programmes. If we tried that policy, the result would be great swings in construction activity.

"What we should try to do is to pursue public construction policies which will keep the industry reasonably stable and maintain a high level of employment in construction.

"On the other hand there is no question that the maintenance of a high level of construction will greatly help to keep up the general level of employment.

"As you know, even before the recent war concluded, the present administration adopted as a primary object of policy the maintenance of a high and stable level of employment and income throughout the Canadian economy. This aim remains a primary object of our Government's policy....

"In general terms, the level of employment and income depends upon the level of our export trade, upon the demand at home for consumer goods, upon private investment in capital goods, and only to a limited degree upon public investment and Government construction....

"The prospects for private construction in 1950 are bright; but we intend to go on maintaining a backlog of postponable public projects to be available as a "floor" whenever it may be required...."

CANADA'S AIR ROLE: The following is the partial text of a review of 1949 RCAF activities by Air Marshall W.A. Curtis, Chief of Staff of the RCAF, which was mailed to reserve, retired, and former members of the RCAF:

"...The last year marked a turning point in the postwar progress of the RCAF. For the first time we were able seriously to turn our attention to building up the operational element of the Force. This was possible only because of the emphasis placed on building a supporting framework immediately following the war.

"Our original concept was of a Force to consist primarily of a nucleus body, able to expand rapidly in event of war. We now see, in the light of the changing world situation, that we must go farther than that. The nucleus concept still holds good so far as mobilization to full wartime strength is concerned, but in addition the RCAF must be brought to the point where it is able to bring into immediate action those forces required for the initial defence of Canada. The Service is being brought to this state....

"The training programme is well established and recruiting is being intensified. Strength at the beginning of the year was 13,832. At the time I am writing this it stands at approximately 16,600, a satisfactory step towards reaching our presently approved establishment of 18,278. Construction of married quarters has come along well. This past year found us able to turn our attentions to setting up the operational side of the Service.

GOVERNMENT



OF CANADA

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DEPARTMENT OF EXTERNAL AFFAIRS

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WEEK'S EVENTS IN REVIEW

CONSTITUTIONAL CONFERENCE: The Federal-Provincial Conference on constitutional amendments opened in Ottawa on the morning of January 10, when the Prime Minister, Mr. St. Laurent, speaking in both French and English, welcomed the Premiers of the 10 Provinces and included a special word of greeting to Premier Smallwood of the new Province of Newfoundland.

In his welcoming address, Mr. St. Laurent was quoted as saying: "We cannot afford to permit differences to frustrate the continued development in a desirable direction of the nation as a whole."

Preliminary statements were made by the Provincial Premiers, and, in the course of the opening day's discussions, the Prime Minister indicated that the whole question of constitutional amendment was thrown open to the Conference, and in particular that it would be possible to revise the recent amendment to the British North America Act which gave the federal Parliament power to amend the Act in relation to federal matters.

At the conclusion of the second day's sitting, January 11, the progress of the Conference was summed up by J. A. Hume, in the Ottawa Citizen, as follows:

Considerable solid progress was made at the second day of the Federal-Provincial Constitutional Conference.

The tone of the general clarifying discussion and the whole atmosphere of the Conference continued to be of the friendliest nature. Where divergent views were voiced, always it was done with politeness and deference. Constructive co-operation was maintained throughout as the dominant note of the day's proceedings.

Prime Minister St. Laurent, just before adjournment overnight was taken at 5:30 p.m., summed up the general agreement that had been expressed thus far as to six subjects to be "entrenched" in the constitution to the extent that no future changes therein could be effected without unanimous consent of the ten Provinces.

These subjects Mr. St. Laurent listed as follows: language, education and separate schools, solemnization of marriage, administration of justice, proper representation in both the House of Commons and the Senate, and the life of Parliament to be for five years with a proviso for extension only in an emergency of real or apprehended war.

The Conference named Justice Minister Stuart Garson and the ten provincial Attorneys-General as a committee to put in draft form the generally expressed agreement of the Conference as to dividing the constitution into four or five main parts for purposes of amendment in future.

RESERVES OF U.S. DOLLARS \$1,117,000,000

BEST SINCE 1947: The Minister of Finance, Mr. Abbott, announced on January 6 that Canada's reserves of gold and U.S. dollars were 1,117 million on December 31, 1949.

The comparable figure for September 30, 1949 was \$985 million; for October 31, 1949, \$1,007 million; and for November 30, 1949, \$1,068 million. At the end of 1948 the figure was \$998 million. All these figures are in terms of U.S. dollars.

Mr. Abbott explained that figures of Canada's gold and dollar reserves do not include U.S. dollars borrowed by the Government of Canada in the United States in August, 1949 and used (on October 1, 1949 and November 1, 1949) or set aside to be used (on February 1, 1950) for the retirement of security issues guaranteed by the Government of Canada and payable at the holder's option in U.S. dollars.

Mr. Abbott attached to his statement a table showing the amount of Canada's reserves of

gold and U.S. dollars at the end of each month during the past year. This table which follows shows the fluctuations upwards and downwards in Canada's reserves from month to month.

<u>Date</u>	<u>Total official holdings of gold and U.S. dollars</u>
Dec. 31, 1948	\$ 998. million
Jan. 31, 1949	1022. million
Feb. 28, 1949	1044. million
Mar. 31, 1949	1067. million
Apr. 30, 1949	991. million
May. 31, 1949	977. million
June 30, 1949	977. million
July 31, 1949	973. million
Aug. 31, 1949	987. million
Sept. 30, 1949	985. million
Oct. 31, 1949	1007. million
Nov. 30, 1949	1068. million
Dec. 31, 1949	1117. million

EMPLOYMENT AT RECORD: The Minister of Labour, Mr. Mitchell, released on January 6, the following statistics in respect to Employment and Unemployment in Canada.

The total labour force in December was estimated at 5,200,000 persons. This figure, of course, is less than was the case when students were available earlier in the year and normally a large number of women do not wish to work in the winter. This figure of 5,200,000 is the highest figure for December in the history of Canada despite the fact that it is approximately 150,000 lower than was the case in September 1949.

Of the 5,200,000 there were 261,100 unplaced applicants registered in the National Employment Offices across Canada.

Of this number 71.1% were either in receipt of unemployment insurance benefits or were persons whose claims were being processed.

The Minister pointed out that persons actually working represented by the total labour force less the unplaced applicants - just under five million - was the highest number of employed persons for December in the history of Canada.

MOTOR VEHICLE SHIPMENTS: Falling sharply from the high levels of the two preceding months factory shipments of Canadian-made motor vehicles in November reached the lowest monthly total since February last. The month's total was down 43 per cent from October and was also 36 per cent below November, 1948. Despite the pronounced decrease from a year earlier the cumulative total for the first 11 months of 1949 was 12 per cent higher than in the same period of 1948.

In November, 19,721 units were shipped as

compared with 28,125 in the preceding month and 26,794 a year ago. The cumulative total for the 11 months ending November increased to 264,713 units from 236,873 in the like period of 1948. Shipments in February last year aggregated 17,197 units.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on December 22 amounted to 165,310,900 bushels compared with 165,932,200 on December 15 and 172,294,000 on the corresponding date last year.

Overseas export clearances of wheat during the week ending December 22 totalled 2,964,700 bushels compared with 3,704,700 in the same week last year, and in the cumulative period, 78,484,100 bushels compared with 54,944,500.

LIVING COSTS DECLINE: The Bureau of Statistics cost-of-living index declined from 161.7 at November first to 161.5 at December first. This marked the fourth consecutive fractional decline from the August peak of 162.8, and placed the index 2.6 points above December 1, 1948. From August 1939 to December 1949 the increase in the cost-of-living index was 60.2 per cent.

The decline between November 1 and December 1 was almost entirely due to the food index which dropped from 203.3 to 201.9. Sharply lower prices for eggs and slight decreases in meats overbalanced considerably higher quotations for coffee. Homefurnishings and services registered the only other decrease, moving from 167.4 to 167.1, while the clothing index remained unchanged at 183.7

NOTES TO HUNGARY, ROUMANIA: The Department of External Affairs announced on January 6 that on January 5 the Canadian Government presented notes to the Governments of Hungary and Roumania in connection with the disputes which have arisen over the implementation of the human rights clauses of the Peace Treaties signed by Canada with those countries. The notes named Rt. Honourable J.L. Ilsley, P.C. as the Canadian representative on the commissions which are proposed in accordance with the provisions of the treaties.

As Canada has no diplomatic representative in Hungary or Roumania, the Canadian notes were delivered by the British Ministers in Budapest and Bucharest. Similar notes were presented by the United Kingdom and the United States to the Governments of Hungary and Roumania, and of Bulgaria as well.

The text of the Canadian note to Hungary reads as follows:

"His Majesty's Legation present their compliments to the Ministry of Foreign Affairs and with reference to their note of August 1, regarding the reference to a commission as laid down in Article 40 of the Peace Treaty with Hungary of their dispute with the Government over the interpretation of Article 2 of the Treaty, have the honour, on behalf of the Canadian Government, to inform the Government of Hungary that the Canadian Government has appointed Right Honourable Justice J.L. Ilsley, P.C., as its representative on the proposed commission. It is accordingly requested that the Hungarian Government appoint its representative forthwith and, at the same time, enter into consultation with the Canadian Government through the Canadian Ambassador in Washington with a view to the appointment of the third member of the commission as stipulated in the Peace Treaty."

The note to the Roumanian Government was similar to the note to Hungary. It referred to the dispute which exists over the interpretation of Article 3 of the Roumanian Peace Treaty, and called for the establishment of a commission as provided in Article 38.

MYSTERY OF THE GOLDEYE: A clue to the mystery of the spawning habits of one of Canada's tastiest fish, the goldeye, has been discovered in Lake Claire, Wood Buffalo Park, Alberta, it was revealed at the annual meeting in Ottawa of the Fisheries Research Board of Canada by Dr. K.H. Loan, Acting Director of the Central Fisheries Research Station, Winnipeg.

For five years fishery scientists have been trying to discover the goldeye's spawning habits, but it was only this year that goldeye eggs were found drifting free in Lake Claire, one of the first instances of surface floating eggs in freshwater fish.

Proposals for an extension of fisheries research work in Canada's Eastern Arctic waters were put before the meeting of the Board by Dr. Max J. Dunbar, Professor of Zoology at McGill University.

R. D. MACDONALD TO WASHINGTON: R.D. Macdonald has joined the Washington office of the Canadian Commercial Corporation, it was announced on January 6 by the Corporation. Mr. Macdonald will go to Washington in January.

Well known to the construction industry before the war, Mr. Macdonald supervised the field operations of a large number of wartime construction contracts for the Department of Munitions and Supply; and, through his association with aviation activities, became Director of the Aircraft Division of its Washington office.

Returning to Canada after the war, Mr. Macdonald organized the aircraft, radio and research divisions of the War Assets Corporation, and returned to the United States in 1945 to become Assistant to the President of Philco International Corporation, and Director of the Babb Company (Canada) Limited. For the past several months he has been engaged with the Department of Trade and Commerce in connection with industrial defence planning.

TO BOARD OF GRAIN COMMISSIONERS: Appointment of Roy W. Milner, of Calgary, to the Board of Grain Commissioners was announced on January 6 by the Minister of Trade and Commerce, Mr. Howe. Mr. Milner leaves his position as General Manager and Director of the Alberta Pacific Grain Co. Ltd., to take up his new duties. He was also a Director of the Grain Insurance and Guarantee Company and Director of the Sovereign Life Assurance Company. Mr. Milner succeeds D.A. MacGibbon, recently retired.

FISHERIES RESEARCH CHAIRMAN: Dr. G.B. Reed, O.B.E., of Queen's University, Kingston, was re-elected for his third year as Chairman of the Fisheries Research Board of Canada at the closing sessions of the annual meeting in Ottawa on January 7.

Prof. J.R. Dymond, O.B.E., head of the Department of Zoology, University of Toronto, was also re-elected to the office of Vice-Chairman. In addition to Dr. Reed and Prof. Dymond other members of the Executive Committee are Dr. W.A. Clemens, University of British Columbia, Vancouver, B.C.; O.F. MacKenzie, Halifax, N.S.; R.E. Walker, General Manager of British Columbia Packers, Vancouver, and Dr. D.L. Thomson, Professor of Biochemistry, McGill University, who replaces Dr. Jean-Louis Tremblay, of Laval University, Quebec City, whose term of office has expired.

ALASKA HIGHWAY DEFENCE EXERCISES

CANADA - U.S. JOINT OPERATION: To meet theoretical aggressor attacks next month down the Alaska Highway from Anchorage and Fairbanks areas, combined Canadian and United States forces will carry out a defence exercise to meet the "enemy" along the highway north of Whitehorse, Y.T. Participating in the defence force will be a battalion group of the Canadian Active Force Brigade group and a battalion combat team of the U.S. Fifth Army, supported by aircraft of the Royal Canadian Air Force and the United States Air Force.

Known as "Exercise Sweet Briar", the combined northern operation will be held for 10 days commencing February 13, and will involve about 3700 Canadian and American troops. The air phase of the large peacetime exercise is expected to use more than 1400 Canadian and American Air Force personnel.

During the past months extensive planning and preparation have been carried out by staffs of both nations. Canadian planning has been carried out by Headquarters, Western Army Command, under the direction of Major-General M.H.S. Penhale, General Officer Commanding, and Headquarters, North West Air Command, under Air Vice Marshal C.R. Dunlap, Air Officer Commanding.

INFORMATION AND EXPERIENCE

Exercise Sweet Briar has been designed to obtain information and experience in the conduct of tactical operations under severe winter conditions and to provide arctic training for battalion groups, support services of the Army, and combined U.S. and R.C.A.F. units and formations. In addition the February exercise will test the value of present arctic clothing and equipment including parachute and airborne stocks.

Army and Air Force will combine to develop techniques in the following roles: providing air transport, close air support, air and ground supply, air and ground evacuation.

Prior to the actual exercise all ranks will be "warm based" at Whitehorse and during the tactical move commencing February 13, the ground forces will cover about 350 winter miles to Northway, Alaska. During the actual exercise bombers, fighters, and photo reconnaissance aircraft of the allied force will move in support of Canadian and American troops from the R.C.A.F. station at Whitehorse to Burwash Landing and then on to Northway.

Luring past months hundreds of vehicles of all types have been winterized by Canadian

Army specialists and these will be used to move the troops north from Whitehorse until contact with the "enemy force" is established. The "fight" with actual airmen and soldiers of the aggressor force from Alaska Command will entail manoeuvring in temperatures which are expected to range as low as 50 below and a high degree of survival training will be necessary for the rigorous actions.

While airborne officers and men of the Princess Patricia's Canadian Light Infantry practise ground roles, "C" Company under the command of Major D.L. Clarke of Calgary will carry out their first mass winter jump.

Twenty-nine R.C.A.F. fighters, including vampires, will operate from an emergency airstrip at Burwash Landing during the fighter support of the exercise. Mitchell aircraft will take the part of allied bombers and Dakotas and North Stars from the R.C.A.F. Air Transport Command will provide air transport for personnel. Lancasters from aerial survey squadrons will perform high level photo reconnaissance. A total of 53 R.C.A.F. aircraft and 47 U.S.A.F. planes will take part. In addition, three Canadian Army Auster aircraft from the Canadian Joint Air Training Centre, Rivers, Man., will provide aerial artillery observation.

COMMENCING JANUARY 23

Commencing January 23 vehicles and ground personnel will start moving north by road convoy and aircraft from Wainwright and Edmonton. American vehicle convoys will move through Edmonton on their way north within the next few days.

Realism during the fighting will be created by the wide use of umpires on both sides. These trained specialists will adjudge the course of each battle or encounter, both on the ground and in the air, and forward their reports to a Combined Compilation Centre.

In over-all command of the exercise will be Lt.-Gen. Stephen J. Chamberlin, Commanding General of the United States Fifth Army, Chicago. Working closely with him will be Maj.-Gen. M.H.S. Penhale, CBE, General Officer Commanding the Canadian Army's Western Command, and Air Vice-Marshal C.R. Dunlap, CBE, Air Officer Commanding the R.C.A.F.'s North West Air Command, both with headquarters in Edmonton; and Maj.-Gen. Robert M. Lee, Commanding General of the U.S. Air Force Tactical Air Command, Hampton, Va.

REGULATIONS ON AUREOMYCIN: Standards of purity and potency for the new antibiotic aureomycin, have been set up under the federal Food and Drugs Act the Minister of National

Health and Welfare, Mr. Martin, announced on January 9. It has also been added to the list of items which may be sold to the public only on prescription.

HYDRO-ELECTRIC PROGRESS, 1949: During 1949 the post-war boom in hydro-electric construction continued without abatement. Although no new large plants were brought into operation, an appreciable increase in the total of installed capacity in Canada accrued from additional units coming into operation in existing stations, principally in those which were partially completed last year. Also excellent progress was achieved on other developments actively under way, the labour situation and the availability of materials being relatively favourable throughout the year.

Installed capacity in Canada which, with the addition of 272,050 h.p. located in the new Province of Newfoundland, now totals 11,622,668 h.p., was increased during the year by 479,900 h.p.; this increase is slightly greater than that of 1948 and is well in excess of pre-war yearly rate of expansion of about 300,000 h.p. A number of large developments which are in a state of advanced construction will add about 1,500,000 h.p. within the next two years, while other developments are in the preliminary stages of construction or are definitely planned; also, more long-range plans and investigations envisage the development of other sites, several of high capacity.

POWER DISTRIBUTION

In the field of power distribution, construction similarly was very active. New main transmission lines were completed or were under construction in most sections of the country. Many new transformer stations and sub-stations were built and secondary lines were extended. Rural electrification was particularly active in Quebec, Ontario and Manitoba.

During the year the demand for hydro-electric energy continued to expand throughout the country as a result of a high level of industrial activity in conjunction with increased commercial, domestic and rural consumption. The increased over-all demand is reflected in the consumption of primary power which, according to the records of the Bureau of Statistics for the first ten months of 1949, increased 3.1 per cent over that for the same period of 1948, the previously high year, and 12.9 per cent over 1947. However, despite the additions to generating capacity which were made in 1948 and 1949, total production of central electric stations in 1949 was only 2.8 per cent greater than that of 1947. Generally speaking, stream flow conditions were unfavourable for a considerable part of the year and, at times, some of the large hydro-electric systems had difficulty in meeting all power demands. The completion of a number of the larger plants which are now under construction will be necessary before essential reserve capacity becomes available.

JEAN MONNET TO OPEN FAIR: Jean Monnet, eminent French financial authority will open the third Canadian International Trade Fair in Toronto next May.

In making this announcement on January 9, the Minister of Trade and Commerce, Mr. Howe, expressed deep appreciation of M. Monnet's acceptance of the invitation recently extended to him by the Government of Canada. The first Canadian Trade Fair was opened by His Excellency the Governor General, the second by Secretary of Commerce Sawyer of the United States, and the third will bring to Canada an outstanding European figure.

"The great importance of the Canadian Trade Fair", Mr. Howe pointed out, "lies in its actual and potential contribution to a greater and better distributed flow of world trade. It is a project which, on that ground, merits the best possible support in business circles both in Canada and abroad. M. Monnet, as Commissioner of the National Economic Council of France, holds a key position in the very centre of European effort to place world trade again on a vigorous self-sustaining basis."

Born in Cognac, France, Jean Monnet achieved distinction during two world wars as a co-ordinator of allied war efforts in Paris, London and Washington. He was Deputy Secretary-General of the League of Nations, 1919-23, playing an important part in the financial stabilization of Austria, Poland and Rumania, and for a period was economic adviser to the Chinese Government. After the liberation of France in 1945, he drew up a five-year programme for the reconstruction and modernization of French industry, known as the Monnet Plan, and as Commissioner of the Economic Council, he is now responsible for the implementation of this programme.

NORTH ATLANTIC TREATY ORGANIZATION: The first meeting of the United States-Canada Regional Group, under the North Atlantic Treaty Organization, will be held in Washington January 17, it was announced on January 7 simultaneously in Ottawa and Washington.

The meeting, to be held at the Pentagon, will take up North Atlantic Treaty Organization matters. Canadian members attending the meeting will include the Canadian Chiefs of Staff and their advisers. They will arrive by plane at Washington National Airport at 3 p.m. EST, January 16.

General J. Lawton Collins, Chief of Staff of the United States Army, will meet the Canadians at the airport. Members of the Canadian party include: Lieutenant-General C. Foulkes, CB, CBE, DSO, Chief of the General Staff, Air Marshal W.A. Curtis, CB, CBE, DSC, ED, Chief of the Air Staff, Vice-Admiral H.T.W. Grant, CBE, DSO, Chief of the Naval Staff.

INDUSTRIAL EMPLOYMENT: Employment in the eight major industrial groups showed a further slight decline at the beginning of November, but there was a small advance in the expenditures in weekly salaries and wages as compared with October 1, according to data received from 20,712 representative employers. The reduction in the working force again took place among male employees, whose numbers fell 0.3 per cent, while that of women rose 0.5 per cent in the month. The difference in the trends was due to the changes in the industrial distribution of employment.

Based on the 1926 average as 100, the general index number of employment in the eight leading industries at the beginning of November was 201.9 as compared with 202.2 at October 1, and 203.6 at November 1, 1948. Except for November 1, 1948, the latest index is the highest in the record of 29 years. Although the November 1, 1949 figure was 0.8 per cent below that indicated 12 months earlier, there was an increase of three per cent in the index of payrolls, which reached a new all-time maximum.

The co-operating employers reported a rise of 0.4 per cent in their disbursements in weekly salaries and wages at November 1 as compared with October 1. Further upward adjustments in wage rates in several industries contributed to the higher expenditures in which another factor was longer working hours in some industries. The indicated weekly earnings averaged \$43.78 at November 1 as compared with \$43.55 at October 1, and \$42.15 at November 1, 1948.

1949 FARM INCOME \$2,409,165,000: Cash income of Canadian farmers from the sale of farm products in 1949 amounted to \$2,409,165,000, according to an advance preliminary estimate by the Bureau of Statistics. This figure is slightly below the 1948 peak of \$2,449,900,000, but substantially above the 1947 total of \$1,962,276,000.

The Bureau points out that Canadian Wheat Board participation payments to western producers on previous years' crops were substantially larger in 1948 and 1949 than in any year up to that time. Since August 1, 1949, western producers of coarse grains have received only an initial payment per bushel as provided under the terms of the compulsory coarse grain marketing scheme which entitles them to share in any surpluses accumulated by the Canadian Wheat Board through the sale of these grains.

In addition to the above totals, supplementary payments made under the provisions of the Prairie Farm Assistance Act in 1949 totalled \$17,628,000 as compared with \$20,746,000 in the preceding year, and \$11,577,000 in 1947.

The advance estimates of cash income indicate lower returns in 1949 than in 1948 in all provinces except Saskatchewan and Alberta. Ontario had the largest total of \$641,350,000

compared with \$668,353,000, followed by Saskatchewan at \$540,638,000 compared with \$520,563,000, Alberta at \$452,384,000 compared with \$448,997,000 and Quebec \$343,604,000 compared with \$352,153,000.

\$83,283,400 FOR MOVIES: Canadians spent a record total of \$83,283,400 on motion picture theatre entertainment in 1948, an increase of six per cent over the preceding year's total of \$78,476,800. Of the gross receipts in 1948, \$13,626,000 was paid to federal and provincial Governments in taxes as compared with \$15,819,000 in 1947. Net receipts were up to \$69,657,200 from \$62,865,300, or by 11 per cent. There were 222,459,200 paid admissions during the year, a gain of one per cent.

Expenditures on this form of entertainment in 1948 amounted to \$6.50 per person compared with \$6.30 in 1947 and \$5.01 in 1942.

CHANGE ARMY'S AGE LIMIT: A change in the age limits of applicants for enlistment in the Canadian Army Active Force has been announced by Army Headquarters.

Candidates for enlistment, regardless of whether or not they are skilled tradesmen, now must be between the ages of 17 and 29 years. Until recently age limits were from 17 to 25 for non-tradesmen and 17 to 35 for tradesmen.

Special cases of older applicants possessing exceptionally high instructional or trades qualifications or experience will be referred to Army Headquarters by personnel depots for a decision. But unless Headquarters O.K.'s their application, they will not be enlisted.

Candidates who have not reached their 18th birthday must produce the written consent of parent or guardian before becoming eligible.

SEEK SETTLEMENTS OF CLAIMS: The Minister of Finance, Mr. Abbott, announced on January 9 that his Parliamentary Assistant, Mr. James Sinclair, M.P., and Mr. C.L. Read, an officer of the Department of Finance, were leaving at the end of this week on a trip to a number of European capitals, in order that they may assist in co-operation with the Ambassadors and other resident Canadian representatives, in the settlement of financial claims which Canada has outstanding against certain European countries. These claims arise from the furnishing of supplies to the civil population of these countries by the armed forces during the conduct of military operations on the continent of Europe. Canada shared with the United States and the United Kingdom in the financing of these supplies and in the settlement of the claims arising out of them.

Mr. Sinclair and Mr. Read are planning to proceed first to Brussels, then to Luxembourg, and later to Paris, Rome, Belgrade, possibly Athens, Copenhagen, and Oslo.

10-MONTH IMPORT TOTAL \$2,308,200,000

UP \$141,400,000: Three major factors affected the composition and volume of Canadian imports in the first 10 months of 1949, the latest period for which the official figures are available. The supply situation in many lines of imported goods has eased since 1948, thus tending to increase the volume of imports. The relaxation of some of the Emergency Exchange Conservation restrictions first imposed in 1947 has had a similar effect. On the other hand, the abnormal post-war demand for some types of imports has subsided, reducing purchases of these goods. These three factors have also changed the relative importance of some supplying countries. The effects of import price changes have not been very great during the period. Only a small increase in average prices appears to have occurred, so that much of the increased value of imports in the 10 months has been due to a larger volume. As a result of these and other forces, the 10-month total value of imports for consumption rose to \$2,308.2 million, \$141.4 million above

the corresponding 1948 value. However, two of the main groups of imports did not rise over their 1948 totals. These were the non-metallic minerals group, which was affected by greatly reduced imports of fuels, and the fibres and textiles group, owing chiefly to lower imports of jute and raw wool. Imports in the animals and animal products group rose only slightly above the 1948 value. Total imports in September and October fell below the corresponding 1948 monthly values, and for some months previously had shown less increase over 1948 values than characterized the early months of 1949.

The trends of the first 10 months of this year may not be continued in the succeeding months. The effects of the widespread currency revaluations in September, including the devaluation of the Canadian dollar on September 19, have not yet become fully apparent. New trends may emerge when prices and trade patterns have become adjusted to these changes.

(Continued from P. 1)

The preliminary suggestions as to categories were as follows: Sections which would be the concern only of Parliament; sections which would concern Parliament and only one, two or three Provinces; sections which would affect Parliament and all the Provinces; and sections concerning entrenched provincial and minority rights.

Provision will likely be made in the amending machinery to be advised requiring that any future changes in such machinery likewise should require unanimous consent of all ten Provinces.

As well, the discussion indicated, a provision will be included permitting delegation of existing powers by Parliament to the Provinces or alternatively by one or more of the Provinces of their powers to Parliament.

Ontario Premier L.M. Frost submitted some suggestions on amending machinery, as did Nova Scotia Premier Angus L. Macdonald along similar lines but in more detail.

New Brunswick Premier J.B. McNair urged, with the support of Alberta Premier E.C. Manning, that the Conference should draft an entirely new constitution as a Canadian document. However, the majority view seemed to be that, at this Conference, attention should be limited to formulating amending machinery for the British North America Act, and associated acts, as it stands, as a statute of the United Kingdom Parliament, with all future amendments, however, to be made in Canada.

ARMED SERVICES FILM CATALOGUE: Films play "an ever increasing role" in Canada's armed forces training programme and "their contribution to modern training methods is invaluable", the Minister of National Defence, Mr. Claxton, said on January 12, in announcing release of an Armed Services film catalogue.

The catalogue lists 371 unrestricted 16 mm films drawn from Canadian, United Kingdom and United States sources. It will be distributed to units of the Active and Reserve Forces as well as to Naval Officers' Associations, Military Service Associations, Military Institutes and RCAF Associations.

ECONOMIC ACTIVITY AT HIGH LEVEL: Reflecting the high level of economic activity, the amount of cheques cashed against individual accounts in November was 6.5 per cent greater than in the corresponding month of 1948; the all-Canada total standing at \$8,540,000,000 -- the second highest monthly total in history -- as compared with \$8,022,000,000.

VOCATIONAL TRAINING AGREEMENT: The Minister of Labour, Mr. Mitchell, announced on January 11 that an Order-in-Council had been passed authorizing the federal Government to enter into an agreement with Newfoundland to provide financial assistance to Canada's tenth province for vocational training at the secondary school level.

GOVERNMENT



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WEEK'S EVENTS IN REVIEW

PRIME MINISTER'S NEW YEAR'S MESSAGE: The following is the text of the New Year's message delivered by the Prime Minister, Mr. St. Laurent, on December 31:

"I welcome this opportunity to extend my best wishes to the people of Canada at the close of the year 1949.

I address these good wishes also to all those who, throughout the world, are striving to realize the promise of peace announced to men of good will on the first Christmas morning.

A year ago I said that the international situation was very grave; that war was not inevitable but we would be lacking in the most elementary realism if we considered war an impossibility. The year which is just ending has brought with it new reasons for uneasiness. Human freedom has lost still more ground in countries which ignore the advantages of genuine democracy. In many, honest people continue to be persecuted for their religious beliefs or their political affiliations. On the other hand, it is reassuring to know that the free nations of the western world have a clearer understanding than ever of their joint responsibility to safeguard the peace of the world.

1949 has been the year of the signature of the North Atlantic Pact. 1949 has been a year

in which we have witnessed great benefits from the Marshall Plan. The free democracies have had to face serious economic difficulties in 1949, but in spite of everything never before have they shown so much determination to understand one another and to help one another.

From the international point of view, when the accounts for 1949 are balanced they have not been too unfavourable to the cause of peace. But in working for peace in the world we should never forget the solemn warning of the Psalmist: "Except the Lord build the house, they labour in vain that build it." It is this truth of which the pilgrimages of the Holy Year will be a constant reminder of the Christians of my faith during the whole of 1950. May this truth influence the conduct of all the peoples who are still free.

From a national standpoint, 1949 has been a good year. We have had a general election, and general elections are the very foundation of our democratic system; we have added a new Province to our territory through the union with Newfoundland; we have taken certain steps of which our children will be proud toward full nationhood for Canada; we have gained a new appreciation of the wealth of our country; we have enjoyed a higher standard of living than anywhere else in the world outside the North American continent.

1949 FARM CASH INCOME \$1,794,200,000

2.6 PER CENT OVER 1948: Canadian farmers received \$1,794,200,000 from the sale of farm products during the first nine months of this year, according to preliminary estimates by the Bureau of Statistics. This was 2.6 per cent over the 1948 figure of \$1,749,200,000 for the same period and an increase of 40.9 per cent over the \$1,273,600,000 realized in the first nine months of 1947.

Cash income in the third quarter of this year was \$730,155,000, down \$97,600,000 from the same period of 1948. In the first quarter the total was up to \$412,634,000 from \$380,006,000 a year earlier, and in the second quarter to \$651,434,000 from \$541,345,000.

In addition to the receipts in the first nine months of this year, supplementary payments amounting to \$9,000,000 were paid out under the provisions of the Prairie Farm Assistance Act, to farmers in the drought-stricken areas of the Prairie Provinces. This figure compares with more than \$10,000,000 and nearly \$16,000,000 paid out during the respective periods of 1947 and 1948.

The maintenance of farm cash income at a level above that of a year ago is largely attributable to increased Canadian Wheat Board payments and the fairly substantial gains in the returns realized from the sales of wheat, coarse grains, tobacco, cattle and calves. The Canadian Wheat Board disbursement of approx-

imately \$218,000,000 was, for the most part, in the form of equalization payments made on wheat delivered by Western farmers during the period August 1, 1945 to March 31, 1949. Increased income from wheat sales resulted from higher prices together with increased marketings. In the case of oats and barley, the increase came as a result of increased marketings more than offsetting a decline in prices.

Cash income from the sales of grains, seeds and hay in the first nine months of this year totalled \$668,086,000 as compared with \$586,413,000 in the corresponding period last year. Income from the sales of livestock, at \$532,700,000 was slightly above last year's total of \$525,189,000, the greatest gain occurring in cattle and calves. A decline in the marketings of hogs during the same period more than offset an increase in prices to lower income from this source 6.3 per cent.

Income from the sales of dairy products during the nine-month period was approximately \$277,000,000 as compared with \$308,000,000 in the same period of 1948. A drop of 8.2 per cent in cash returns from the sale of eggs to the end of September is largely due to a decline in marketings. Income from the sale of vegetables and other field crops was down slightly at \$110,523,000 compared with \$111,573,000.

CONSTRUCTION INDUSTRY RECORD: The estimated value of work performed by the Canadian construction industry reached an all-time record total of \$1,665,561,000 in 1948, fully one-third higher than the previous record of \$1,256,536,000 established in 1947, and about double the 1946 value. There were gains in the value of work in all provinces, increases ranging from a low of 25 per cent in Quebec to a high of 43 per cent in the Prairie Provinces.

In addition to work by the construction industry, railway and telegraph companies carried out work with their own staffs to the value of \$414,934,000 in 1948. With this addition the total value of construction work during the year exceeded \$2,000,000,000.

The value of new construction by the industry in 1948 was \$1,384,000,000, up 38 per cent over the 1947 total of \$1,002,000,000, while additions, alterations and repairs were valued at \$282,000,000, showing a smaller increase of 11 per cent over the 1947 figure of \$255,000,000.

Building construction, accounting for 65 per cent of the total, was valued at \$1,088,000,000, up 30 per cent over the 1947 figure of \$839,000,000, while engineering work was valued at \$577,573,000 compared with \$417,665,000, up 38 per cent. The cost of materials

amounted to \$835,917,000 as compared with \$654,996,000, and salaries and wages totalled \$605,496,000 compared with \$482,907,000. The cost of materials in 1948 was equal to approximately 50 per cent of the total value of work performed and salaries and wages to somewhat over 36 per cent.

The value of residential construction work in 1948 reached the high total of \$255,756,000 as compared with \$233,304,000 in the preceding year. Institutional building had a value of \$121,421,000 compared with \$73,362,000; commercial building, \$166,073,000 compared with \$151,130,000; industrial building, \$242,832,000 compared with \$193,053,000; and other building, \$39,540,000 compared with \$7,534,000. The value of work by building trades was up to \$262,366,000 from \$180,488,000.

RCAF APPOINTMENT: Air Commodore F.G. Wait, CBE, commander of the RCAF's Maritime Group Headquarters at Halifax for the last two years, has arrived in Ottawa to take over his new duties as Deputy Air Member for Personnel, it has been announced by Air Force Headquarters. He replaces Air Commodore D.E. MacKell, who, proceeds on retirement early in January.

FORECASTS HIGH INCOME LEVEL FOR 1950

MR. HOWE'S YEAR-END REVIEW: The Minister of Trade and Commerce, Mr. Howe, concluded his 1949 Year-end Review, issued on December 30, as follows:

"...The Canadian economy in 1949 enjoyed another year of prosperity. There was in Canada nothing to compare with the recession in the United States, the exchange crisis in the sterling area, or the continuing economic difficulties and hardships of Western Europe. We have, however, passed out of the postwar inflationary period of steadily rising levels of production and income into a levelling-off period. But it has been at a level slightly above that of 1948 and therefore at a very high and favourable level indeed. There are, however, a number of soft spots in the economy, due to increasing international trade difficulties as well as the re-emergence of various chronic regional and industrial disabilities.

"In real terms, the 1949 gross national product of about \$16 billion will be 2 or 3 per cent higher than in 1948. Part of this increase has been due to the sustained strength of domestic as opposed to foreign demand. Prosperity at home has meant that the domestic market has been able to fill some of the gaps caused by restrictions in foreign markets. In motor vehicles, in cotton textiles, in electrical equipment, the increase in domestic sales has made up or even surpassed the decline in exports. In many branches of manufacturing such as farm implements and office equipment exports as well as domestic sales have risen in recent years.

"The improvement in consumption levels last year, compared with 1948, was one of the significant developments of the Canadian economy. More goods were available on the market, and such factors as lower tax rates, contributing to larger personal incomes, meant an increase in the amounts spent on staples as well as on durable goods. On the production side, industrial output was higher, particularly in petroleum, gold mining, base metals and durable manufactured goods. There was some decline in agricultural output due to poorer crops and lowered production in some of the secondary agricultural industries. The British food contracts helped to sustain the market for several key commodities, although U.S. surpluses reduced the amount of E.C.A. dollars available for goods purchased by Western European countries. With farm prices sustained during the year, farm income was near record levels, due to participation payments on western wheat and the government's price support policy for a number of commodities. Once again, investment in Canada was at a high level adding to our industrial plant and equipment, to our private and public utilities, as well as to the development of our natural resources....

"Today, Canada with a population of some 13 million people is one of the leading trading nations of the world. On a per capita basis our trade is double that of the United Kingdom and about four times that of the United States. Industrially, Canada has come of age. We are today among the first half dozen countries in commercial agricultural production, in fisheries, in metal mining, in forest industries and in manufacturing. Our present level of domestic investment, including housing, is not only the highest in our history, but highest in terms of gross national product of any country of which we have any record. Our increased productivity - that is, output per man-hour - compares favourably with that of any country in the world, including the United States. In short, when we review the situation in other countries, we have much for which to be thankful.

"The outlook for 1950 suggests an intensification of the present pattern, i.e. a continued high level of national employment and income but with some decrease in the special areas and localities that will be under economic pressure. The most important factor will of course be the international situation; the level of economic activity in the United States; the effect of devaluation on world trade; the measures adopted in overcoming the world wide dollar shortage. Our policy will be to co-operate to the fullest extent with the British export drive; to divert imports from U.S. dollar markets to sterling and other non-dollar sources wherever economically feasible; and at the same time take full advantage of the reciprocal Trade Agreements Act and other means to expand Canadian exports to the United States....

"In 1950, the full effect of devaluation should be felt. Its effect on Canada is illustrative of the divergent pulls and cross currents in our economy and of the role we play in our trading relationships with the United Kingdom and the United States. The 30 per cent drop in the pound sterling will have a deflationary effect on some sectors of the economy - on those exporting to sterling areas; and on those competing, at home and abroad, with sterling industries. The 10 per cent devaluation in our own currency will have some inflationary effect, particularly in industries dependent upon the United States for materials. At the same time it will give Canadian producers some advantage over American producers in Canada, in the States, and overseas; it will also cushion the full impact of pound devaluation.

"In several regions of Canada economic activity will be stimulated by the developments that are taking place in the opening up of new resources. Investment in these new developments, including related utilities and secondary industries promises to be well main-

tained in 1950. Preliminary figures on next year's investment program show an anticipated outlay close to the 1949 level in value terms, i. e. something more than \$3 billion. The figures bear out the levelling-off trend that was evident at the beginning of 1949, but a levelling-off at a very high level. The general trends among the different sectors of the economy that were in evidence in 1949 will for the most part continue next year. As in 1948 and in 1949, increases can be expected in the institutional group (especially hospital construction) and in utilities taken as a whole due largely to the building of the oil pipeline. Direct government expenditures, and to a lesser extent, services, also show some rise. Unlike last year, however, capital investment in the agricultural field is expected to decrease. The decline in investment in manufacturing and commercial groups evident last year is likely to continue. In housing, completions this year have reached their highest peak and a substantial carryover in the order of some 50,000 units is expected. As a result, and in view of the continuing demand for new homes, residential construction work in 1950 should come close to the 1949 peak.

"Following the abnormal conditions of the last ten years it is inevitable that special area and special industry problems will continue to arise. Adjustments will have to be made - some drastic, some painful. We may also have to face further adjustments in our foreign trade. The Government can only go so far in meeting the problems created by these adjustments through public works and social security measures. It can help in meeting emergency situations, but in the last analysis our present prosperity can only be maintained if our foreign trade and international trade generally - is flourishing. It is in the interest of every individual and business in Canada, whether immediately affected or not, to see world trade re-established on a healthy and expanding basis."

WORLD WHEAT SITUATION: After two fairly satisfactory crops in most importing countries, import demand for wheat in the crop year 1949-50 will be rather less than in recent years, states the Bureau of Statistics in its monthly review of the wheat situation. According to estimates of the United States Department of Agriculture, exports from the four principal exporting countries--United States, Canada, Australia and Argentina--may total about 850,000,000 bushels compared with 908,000,000 shipped in 1948-49 and 893,000,000 in 1947-48. Other exporting countries, including the Soviet Union, may possibly export 50,000,000 to 75,000,000 bushels compared with 50,000,000 in each of the past two years.

Recent reports from Australia are optimistic concerning the crop currently being harvested in that country. The latest estimate places

the outturn at 203,000,000 bushels, more than 13,000,000 greater than last year and well above the prewar (1935-39) average of 170,000,000. A good harvest is also forecast in the Argentine, with recent estimates placing the crop as high as 210,000,000 bushels, about 19,000,000 greater than last year but still about 24,000,000 bushels below prewar average. Late reports, however, tell of adverse weather conditions in some areas and unless yields turn out fully as well as expected in the rest of the country the final outturn may be somewhat less than that indicated above. In any event, it would appear that both Australia and the Argentine will be in a position to export considerable quantities of wheat in 1950.

The United States Department of Agriculture forecasts, on the basis of December 1 conditions, a winter wheat crop in that country of 885,000,000 bushels or about two per cent less than the 902,000,000 bushels produced in 1949 but still nearly 22 per cent above the average of 727,000,000 bushels for the 10 years 1938-47. Acreage seeded to winter wheat is estimated at 53,000,000 acres, down some 15 per cent from the 62,400,000 seeded in the fall of 1948 but 11 per cent more than the 10-year average of 47,700,000. No estimates are currently available as to the probable spring wheat acreage in the United States, but assuming that average yields are obtained and that no great reduction in acreage takes place a spring wheat crop of around 300,000,000 bushels could easily be obtained. It is accordingly anticipated that the United States will have a substantial exportable surplus from the 1950 crop.

PETROLEUM PRODUCTS: Canadian production of refined petroleum products increased 11 per cent in August over the corresponding month last year, while in the first eight months of this year the gain was 12 per cent. Receipts of crude in the month were five per cent above August last year, and were 11 per cent higher in the cumulative period.

The month's output amounted to 8,463,500 barrels as compared with 7,637,800 in August last year. During the first eight months of this year, 57,539,800 barrels were produced as against 51,548,800 in the similar period last year. Receipts of crude in the month totalled 8,900,400 barrels compared with 8,477,300 a year ago, and in the eight months amounted to 63,088,700 barrels against 56,921,900.

Of the crude petroleum received during the month, 1,960,200 barrels came from Canadian sources as compared with 1,225,500 a year earlier, the eight-month total rising sharply to 13,075,300 barrels from 7,330,400. Receipts of imported crude in the month fell off slightly to 6,940,100 barrels from 7,251,800, but was up in the eight months to 50,013,500 barrels from 49,591,500.

COMMONWEALTH CONFERENCE ON FOREIGN AFFAIRS

DELEGATES AND ADVISERS: Following are the principal delegates and advisers in each delegation at the Commonwealth Conference on Foreign Affairs which will open in Colombo on Monday, January 9:

United Kingdom

Delegates: The Right Honourable Ernest Bevin, Secretary of State for Foreign Affairs. The Rt. Hon. Philip Noel-Baker, Secretary of State for Commonwealth Relations.

Special Advisers: The Rt. Hon. Malcolm MacDonald, Commissioner General for the United Kingdom in South East Asia. Sir Walter Hankinson, United Kingdom High Commissioner in Ceylon.

Official Advisers:

(a) **Foreign Affairs:** Sir Percivale Liesching, Permanent Under-Secretary of State for Commonwealth Relations. Mr. M.E. Dening, Assistant Under-Secretary of State, Foreign Office. Mr. J.J.S. Garner, Assistant Under-Secretary of State for Commonwealth Relations. Mr. G.W. Ridsdale, News Department, Foreign Office. Mr. F.S. Tomlinson, Foreign Office.

(b) **Economic:** Sir Henry Wilson Smith, Second Secretary to the Treasury. Sir Roger Makins, Deputy Under-Secretary Foreign Office. Mr. M.T. Flett, Under-Secretary to the Treasury. Mr. N.E. Costar, Commonwealth Relations Office. Mr. S. Goldman, Treasury, Mr. G. Bowen, Board of Trade.

Canada

Delegates: The Hon. L.B. Pearson, Secretary of State for External Affairs. The Hon. R.W. Mayhew, Minister of Fisheries.

Advisers: Mr. Escott Reid, Deputy Under-Secretary of State for External Affairs, Mr. D.M. Johnson, Canadian High Commissioner designate to Pakistan. Mr. A.R. Menzies, Far Eastern Division, Department of External Affairs. Mr. D.V. LePan, Economic Division, Department of External Affairs. Mr. T.N. Beaupré, Department of Trade and Commerce.

Australia

Delegate: The Hon. P.C. Spender, Minister for External Affairs.

Advisers: Mr. H. R. Collan, Australian High Commissioner in India. Mr. John Oldham, Australian High Commissioner in Pakistan. Mr. C.W. Frost, Australian High Commissioner in Ceylon. Mr. L.R. McIntyre, Counsellor, External Affairs Department. Mr. A. Tange, Counsellor, External Affairs Department. Mr. F.H. Wheeler, First Assistant, Secretary Treasury. Mr. J.F. Nimmo, Treasury Department. Brigadier H. Rouke,

Military Assistant Secretary, Defence Department.

New Zealand

Delegate: The Hon. F.W. Doidge, Minister for External Affairs.

Advisers: Mr. A.D. McIntosh, Secretary for External Affairs. Mr. E.L. Greensmith, Assistant Secretary Treasury.

South Africa

Delegate: The Hon. Paul Sauer, Minister for Transport.

Advisers: Mr. D.D. Forsyth, Secretary for External Affairs. Dr. D.H. Stein, Treasury. Mr. D.B. Sole, External Affairs.

India

Delegates: Pandit Jawaharlal Nehru, Prime Minister and Minister for External Affairs. Mr. V.V. Giri, Indian High Commissioner in Ceylon.

Advisers: Mr. S. Dutt, additional Secretary, Ministry of External Affairs. Mr. K.C. Ambe-gaokar, Secretary, Ministry of Finance. Mr. Keith C. Roy, Deputy Secretary, Ministry of Finance. Mr. Bahadur Singh, Deputy Secretary, Ministry of External Affairs.

Pakistan

Delegates: The Hon. Sir Mohamed Zafrullah Khan, Minister for Foreign Affairs. Mr. M.I. Kramullah, Secretary for External Affairs. Mr. Mumta Hassan, Finance Ministry. Dr. Nair Ahmad, Economic Affairs Ministry. Mr. S.A. Hasnie, Commerce Ministry.

Advisers: Mr. A. Hilalyaj. Mr. M. Mofar.

Ceylon

(a) **Foreign Affairs:** The Hon. D.S. Senanayake, Prime Minister and Minister of External Affairs. Senator the Hon. Dr. L.A. Nrajapakse, Minister of Justice. The Hon. J.R. Jayawardene, Minister of Finance. Mr. R.G. Senanayake, Parliamentary Secretary to the Minister of External Affairs.

(b) **Economic:** Mr. C.E. Jones, Ministry of Finance. Mr. T.D. Perera, Treasury. Mr. K. Somasuntharam, Ministry of Commerce and Trade. Mr. N.U. Jayawardene, Treasury. Mr. K. Williams, Treasury Statistician.

Southern Rhodesia (Economic talks only)

Delegates: Mr. D.H. Cummings, Under-Secretary Treasury. Mr. R. Rushmere.

CHANGES IN EXPORT CONTROL REGULATIONS

25 ITEMS ARE REMOVED: Important changes in the export control regulations were announced on January 4, by the Minister of Trade and Commerce, Mr. Howe. Twenty-five items have been removed from export control, leaving under control only a little over 100 items including strategic materials, primary steel, and building requisites still in short supply. To provide adequate export control of strategic materials without adding to the list of items subject to such supervision, the number of countries under area control has been increased. All goods originally imported into Canada, and re-exported without further processing in this country will require an export permit.

The items removed from export control are as follows: Rice, rice flour and rice meal, horses and horsemeat, poultry, eggs, jute and jute products, lumber, filing and poles, doors, sash and millwork, flooring, prefabricated houses, pickets, plywood, railway ties, shims, metal drums, metal fence posts, storage tanks, furnaces and stoves, non-ferrous conduit and cable, tin and tin products, except tinsplate, asbestos products, asphalt products, and paraffin wax.

On July 15, 1948, area control was established covering 46 countries in Europe and the Mediterranean Area. By the present amendment this principle of export control is extended to the following 18 Far Eastern and Mediterranean countries: Borneo; Burma; China; Hong Kong; Indo-China; Indonesia; Israel; Japan;

Korea; Luchu Islands; Macao; Malaya; New Guinea; Philippine Islands; Singapore; Syria; Thailand (Siam); and Timor. Export permits will now be required for all shipments to these destinations with the exception of the items specifically exempted by the Export Permit Regulations and by a Special Permit No. 1597, which exempts certain non-essential goods.

In order to prevent Canada being used as a "back door" to evade the export regulations of other nations, the following group has been added to the Schedule of Goods under Export Control:

Group 9. Goods Originating outside of Canada

All goods originating outside Canada when tendered for export in the same condition as when imported, without further processing or manufacturing in Canada, with the exception of:

- (a) Goods in transit in bond on a through bill of lading originating outside Canada, clearly indicating the ultimate destination of the goods to be a third country.
- (b) Goods consigned to the United States of America as the country of ultimate destination and not specifically listed in this Schedule.

The general permit No. SPL 1597 exempting non-essential goods, also applies to this group.

(Continued from P. 1)

In this Christmas Season, Canada, a Christian country, hopes that under an ever watchful and benign Providence the good will which has brought appreciable benefits in 1949 will bring still greater hope in 1950 of peace, prosperity and freedom. The hope of peace which I express for my fellow-citizens I address as well to all those who would certainly be our friends if it were possible for them to know us better.

To all men and women a happy New Year in 1950!

And may the second half of the twentieth century bring closer co-operation among the nations, all of whom may count on the goodwill of Canada."

BACON AGREEMENT WITH U.K.: The Minister of Agriculture, Mr. Gardiner, announced on January 3 that a bacon agreement had been negotiated with the United Kingdom which provides for an expenditure of \$17,500,000 for the purchase of Canadian bacon at a price of \$29.00 per hundred pounds, A grade Wiltshires; f.o.b. Canadian

Seaboard. As announced on December 23 the Meat Board has been authorized to pay a price of \$32.50 per hundred pounds of bacon. The difference of \$3.50 per hundred pounds between the buying price of \$32.50 and the price of \$29.00 at which the bacon is sold to the United Kingdom will be met from funds provided by the Government of Canada. The total quantity of bacon which may be purchased under the terms of this agreement will approximate 60 million pounds. The Canadian Government is meeting the request of the Ministry of Food regarding deliveries by arranging for the storage of some portion of the bacon purchased during the early part of the year to be shipped during the latter part of the year.

Some time following June 30, 1950 existing export controls on hogs and pork products may be removed. Meantime consideration will be given to applications for export permits for bacon to be shipped to markets other than Great Britain. The subsidy of \$3.50 per hundred pounds will be discontinued on and after July 1, 1950.



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