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WEEK'S EVENTS IN REVIEW

CANADA'S WEDDING GIFT: Prime Minister Mackenzie King announced last night that Canada's wedding gift to Princess Elizabeth will be a selection of antique silver and a mink coat, made of Canadian wild mink skins, and of Canadian workmanship.

The Prime Minister's statement follows: In considering what present should be made to the Princess Elizabeth on the occasion of the marriage of Her Royal Highness to Lieutenant Philip Mountbatten, the Cabinet felt that no gift could be quite so acceptable as one which would meet with the wishes of Princess Elizabeth herself.

Through the good offices of Her Royal Highness the Princess Alice, Countess of Athlone, with whom the Government communicated, it was learned that Princess Elizabeth was in need of silver for setting up house and would particularly welcome silver for her table. The Cabinet has accordingly authorized Princess Alice, on behalf of the Canadian Government, to make a selection of antique silver which accord with the personal wishes of Princess Elizabeth.

The gift will be suitably inscribed to indicate that it has been presented by and carries with it the best wishes of the Government and people of Canada.

The government has also decided to present Princess Elizabeth with a mink coat made of Canadian wild mink skins and to be of Canadian workmanship. The firm of Holt, Renfrew and

Co., one of the very few Canadian firms which had a Royal warrant as supplier of furs to Her Majesty Queen Victoria, has been commissioned to supply the coat which will be made in accordance with a design to be approved by Princess Elizabeth.

NO FREE POSTAGE ON FOOD GIFT PARCELS: Suggestions have been made that an appropriate wedding gift to Princess Elizabeth would be a free postage concession by the Post Office Department on food gift parcels from Canada to the United Kingdom. A statement issued by Postmaster General Bertrand last night says that officials of the Post Office Department have given exhaustive consideration to the suggestions. But careful study indicates conclusively that the number of people in the United Kingdom to benefit by such a scheme would be comparatively small. The scheme would set up a system of preferred treatment which would apply only to a favoured few.

It is estimated that out of the large number of relief parcels which are being sent to the United Kingdom, about 800,000 a year are gift food parcels. In many cases the same individuals are receiving a number of parcels a year. At a conservative estimate, each of these favoured addressees would receive approximately four parcels per year. On this basis it is estimated that not more than 200,000 families in the whole of the British Isles would be likely to benefit from the proposal.

400 CANADIAN WOMEN WON WAR DECORATIONS: A summary of awards to members of Canada's Armed Forces who served during World War II reveals that the women as well as the men made notable contributions to victory. Although none of the female members of the services won a Victoria Cross -- the Empire's highest award for gallantry -- more than 400 of them earned decorations for courage and devotion to duty when the going was "rough".

Almost 50,000 Canadian women played an active part in the war and of this number thousands served overseas.

The majority of the awards to women went to Nursing Sisters who served with the Royal Canadian Army Medical Corps. They were awarded 272 decorations ranging from the Officer of the Order of the British Empire to a Czech decoration for merit. One hundred and four Army nurses were mentioned in despatches. The Women's Division of the RCAF received 14 awards of Member of the Order of the British Empire and 39 British Empire Medals. Fifty were Mentioned in Despatches for a total of 103 decorations. The CWAC and the WCRNS followed in that order with a total of 84 and 22 decorations respectively.

In addition to awards or "mentions" for gallantry, women ex-members of all three branches of the service are entitled to wear the CVSM, the Defence Medal and the War Medal as well as the various campaign ribbons provided they served in the theatre for which the medal was awarded.

In all, Canadian servicemen and women received a total of 22,344 British and 1,742 foreign awards from September 1939 to March 31, 1947.

COST OF LIVING UP

INDEX RECORDS SHARP INCREASE: Showing the sharpest monthly increase since May, 1920, the Dominion Bureau of Statistics cost-of-living index, on the base 1935-1939=100, rose 2.8 points, bringing the advance since August 1939 to 38.3 per cent between August and September 2, to a new postwar high of 139.4.

At the September 2 level the index was 12.4 points higher than at the first of the year and 13.9 points above the beginning of September last year.

Substantial increases in prices for foods, clothing, and homefurnishings and services were the principal factors in the month's advance. In the food series there was a gain of 4.7 points from 160.6 on August 1 to 165.3, reflecting advances - among other items - for butter, eggs, meats, tea, coffee, lemons and oranges, which outweighed a seasonal decline in potatoes. The index for the clothing group rose 6.5 points from 145.5 to 152.0, due to increases concentrated mainly in men's and women's wear, notably overcoats, topcoats and suits. In the homefurnishings and services group there was a gain of 3.7 points from 143.7 to 147.4, resulting principally from

further substantial advances in furniture, floor coverings and homefurnishings.

Among the remaining three components, scattered increases for coal and coke lifted the fuel and light index 2.5 points to 121.1, which compares with 107.2 a year earlier. Higher health and personal care costs moved the index for miscellaneous items up slightly from 117.2 at August 1 to 117.5. The rentals index at 117.8 was the only one remaining unchanged.

ADMISSION OF DISPLACED PERSONS

FURTHER 10,000 AUTHORIZED: The Minister of Mines and Resources, Mr. Glen announces that the Canadian Government has agreed to the admission to Canada of a further 10,000 refugees from the Displaced Persons camps of Europe. This will bring to a total of 20,000 the number of displaced persons that the Government has agreed to admit to Canada.

It is understood that this 20,000 will be counted against any quota that Canada may ultimately accept as a result of an International agreement in connection with this problem.

C.B.C. OFFICIAL ELECTED RADIO CONVENER: Miss Elizabeth Long, director of women's interests for the CBC was elected World Convener of Broadcasting for the International Council of Women at the Council's first post-war conference held in September in Philadelphia. The conference was attended by 1,000 delegates representing 40 million women in 35 countries.

Miss Long was nominated by the National Council of Women of Switzerland, seconded by Canada.

ARMY COMMISSIONS AVAILABLE: More than 6,000 commissions in both Active and Reserve Forces of the Canadian Army will be available to members of the Canadian Officers Training Corps during the next four years, announces the Minister of National Defence, Mr. Brooke Claxton.

The Canadian Officers Training Corps, now embarking on its 1947-48 fall and winter training programme, is, at present, the chief supply source of officer material for the postwar army. Enlistment in the corps is open to all students of Canadian universities having authorized COTC contingents.

The COTC training programme is of three years duration, at the conclusion of which the student becomes eligible for a commission in the Canadian Army, in either the Active or Reserve Force. Training is divided into theoretical and practical phases, the theoretical being carried out during the student's first, second and third years at University, and the practical during the summer vacation periods by a series of attachments to the Canadian Army Active Force.

PROSPERITY, LIKE PEACE, INDIVISIBLE: Walter A. Tucker M.P., Parliamentary Assistant to the Minister of Veterans' Affairs speaking in the United Nations Economic Committee Oct. 6, said:

"The Canadian Government believes that if the Economic and Social Council effectively discharges its obligations it will come to be regarded more and more as the most constructive single organ of the United Nations (with the exception of course of the General Assembly itself). While we in no sense underestimate the supreme importance of the tasks for which the Security Council is responsible, these tasks are preventive rather than constructive - to prevent aggression and threats to the peace. The tasks of the Economic and Social Council, on the other hand, are essentially positive and constructive - to promote human well-being, higher standards of living, and human progress generally. Of course the work of the Security Council is fundamental to any real and lasting progress. It is the main organ designed to prevent mankind from ever again slipping backward into conditions which provoke war. No lasting progress can be made towards bettering the lot of mankind if it is to be plagued with constantly recurring and ever more dreadful and cruel war. But if a basis of lasting and unquestioned peace can be established, steady progress becomes possible. The Economic and Social Council has been given the function of pointing the way towards that progress, of helping mankind to move forward toward a fuller and richer life and toward the attainment of those larger human freedoms to which we all pledged ourselves in our Charter.

TRUSTEES IN REAL SENSE

As we all know article 24 of the Charter states explicitly that the Security Council in carrying out its duty for the maintenance of international peace and security acts on behalf of all the members of the United Nations. This principle I suggest applies with no less force to the Economic and Social Council in the exercise of its own powers in its own field. I think all my colleagues here will agree that the record of its work thus far shows the members of the Council have approached its problems fully aware of this provision in the Charter and have considered themselves as trustees in a very real sense for all members of the United Nations, whether represented on the Council or not.

The work of the Economic and Social Council, while vitally important, has not been of such dramatic nature as to draw full attention of the public and thereby have the benefit of an aroused public opinion. However, as the work of the Council progresses, its importance will more and more come to be recognized and will more and more win such support. It can hope to go forward steadily, for unlike the Security Council its rules of voting are not such that an obdurate minority can nullify any action

which the majority may consider necessary and wise. When we examine the activities of the Economic and Social Council, we see a picture of work in progress. Admittedly there have been instances of disappointing and costly, if sometimes inevitable, delay; but happily there has been no suggestion of the frustration of stalemate. While there has as yet been little, in the way of completed achievements, a careful examination of the work in progress reveals developments that may prove profoundly significant in the gradual establishment of a truly successful international organization.

PROGRESS IN PROBLEMS OF SUBSTANCE

Because much of the Council's work thus far has necessarily been concerned with the preliminary problems of organization, progress has been slower than many hoped or expected. While this organizational period has not even yet been completed, during the past year particularly real progress in problems of substance has admittedly been made.

The Council, with the assistance of its appropriate commissions and sub-commissions, has begun to seek the solution of many problems which have a direct bearing on the social well-being and economic stability of all nations. The forthcoming conference in Havana, to complete the establishment of an International Trade Organization, is one example of the important work sponsored by the Council. This specialized agency when established will be a landmark in the development of multilateralism - an achievement of worthy note in a world in which nationalism and the jealous protection of sovereignty and states' rights seem at the moment to be even on the increase - incredible as this may seem in the light of the experience of mankind since the fateful year 1914. Many difficulties certainly lie ahead but these in no way discourage us from hoping that the successful attainment of the important aims embodied in the draft Charter of the I.T.O. may be prosecuted with energy and determination.

However, we should never lose sight of the fact that international action, if it is to be successful in this field, must be upheld by vigorous programmes by each nation within its own borders to build up optimum production and by a willingness to accept payment from other nations in goods and services for its own surplus production.

WELL THOUGHT-OUT REPORTS

During the past year the Council received and considered for the first time reports from the various functional commissions which it had set up in 1946. Some of these reports are, in the opinion of the Canadian delegation, well thought-out and workman-like documents, on the basis of which useful projects may be commenced, for example, the first reports of the statistical and population commissions. We

expect that the World Statistical Congress which convened in September will be most useful in its field. To date the actual accomplishments of other commissions have been somewhat disappointing to many who perhaps were too optimistic as to the possibility of speedy action in the international field. But this realization should not blind us to progress actually made. We have a right to expect that as the members of these commissions become more familiar with their tasks, more experienced at working together, their work will become increasingly useful. Great responsibilities have been placed by the Council on the Economic and employment Commission with its two sub-commissions. In regard to this I would like to quote from the report of the Economic and Social Council to the Assembly. I quote:

"The Council at its fourth session considered the report of the first session of the Economic and employment Commission and adopted a resolution on employment and economic development which embodied many of the points referred to above. The resolution requested the Economic and Employment Commission:

(a) To investigate and report, taking full account of the responsibilities of the specialized agencies and the inter-governmental organizations regarding the most appropriate forms of international action for facilitating the better utilization of world resources of manpower, materials, labour and capital in order to promote higher standards of living throughout the world, more particularly in undeveloped and under-developed areas;

(b) To initiate regular reports to the Council on world economic conditions and trends, giving particular attention to any factors that are preventing or are likely to prevent in the near future the maintenance of full employment and economic stability, together with analyses indicating the casual factors involved and recommendations as to desirable action; and

(c) To consider and report to the Council, as early as practicable, regarding the most appropriate forms of international action to maintain world full employment and economic stability..."

I will not take time now to enumerate the preliminary steps already taken to pursue these objectives which are obviously of such far-reaching importance but I would like particularly to commend two of them:

(1) The commission has expressed the intention of making a comprehensive review of world economic conditions and trends in the light of recommendations from its sub-commissions and to include in its report to the Council its comments and recommendations.

(2) The secretariat is expected to prepare, in cooperation with the specialized agencies, reports and analyses of current conditions and trends as it might find neces-

sary and feasible in the light of changing world economic conditions for use at each meeting of the Council.

PRE-REQUISITE OF EFFECTIVE ACTION

It seemed to me that the resolution of the Australian delegation in large measure endorsed these steps and the Canadian delegation also heartily endorses them as a pre-requisite of effective action by the Economic and Social Council to carry out its great objectives.

In our task of coordinating international economic and social planning and activity, agreements bringing important international agencies into formal relationship with the United Nations constitute an essential preliminary step. We welcome the progress that the Economic and Social Council has made in this regard. The council has recommended for approval, since its inception, eleven agreements with specialized agencies.

As direct operating responsibilities in many functional fields of international society are undertaken by these various specialized agencies -- some of which are new and some of which are yet to be formed -- tasks of international coordination will inevitably become more important. The Canadian government feels that primary responsibility for successful coordination must inevitably lie with each member government. Consistency begins at home. Representatives of states meeting in many parts of the world as delegate to different organizations, must be so instructed by their governments that they speak with consistent voices and do not contradict in one body what they say in another. This consistency is not always easy to attain. It alone however can provide the degree of co-ordination necessary to prevent inefficient and expensive overlapping of work.

WELCOME MARSHALL PLAN

Canadians subscribe to the belief that prosperity, like peace, is indivisible. The truth of this has again been brought home to us by our present position. By some economic criteria, Canadians are fortunate. Our people by energetic efforts have been able to maintain our standard of living, and at the same time to grant substantial amounts of relief to countries devastated by war. We have been able to extend large credits to western European and other countries to enable them to obtain food and supplies from Canada. Production and employment are at high levels; external trade is at its highest peacetime level. But in spite of this, we, in common with so many other countries, have a serious exchange problem. It arises from the heavy deficit that cannot be covered today as it was in the past mainly by the surplus in our trade with the rest of the world. These countries cannot now, as they could in the past, furnish us with the exchange to make good this deficit. Unless Europe again becomes prosperous, our present high level of prosperity, so largely dependent on trade, cannot last.

We must then, having in mind both the good of our world neighbours and that of our own country, welcome the constructive approach of the Marshall plan, as we understand it. It seems to us to hold out the promise of a multilateral solution of the economic problems of Europe, to offer the hope of correcting the unbalance in the commercial relations of many countries, including our own, and, in solving the problems of some, of solving the problems of all.

We are indeed like mountain climbers. We are roped together by economic ties. But economic ties cannot be cut like a rope. We cannot, even if we were so inhuman as to be willing to do so, drop into the abyss the climbers who have momentarily lost their footing. The economic ties of this hemisphere with Europe, cannot be severed. We must rise together or we shall fall together.

In regard to the resolution introduced by Poland, the Canadian delegation endorses the general principle of the economic interdependence of European countries. Indeed we would go further and emphasize the economic interdependence of all countries if the highest possible measure of development and well-being is to be attained. My delegation also endorses the desirability of international action preferably through the United Nations. But this does not mean that the veto or refusal to cooperate by any nation or group of nations can be permitted to prevent other nations or group of nations from promoting the principles, ideals and objectives of the Charter. The peoples of the world, who are ready to cooperate are determined that they will not be thwarted by opposition or non-cooperation from any one nation or group of nations; whether by the use of the veto or otherwise. They will have action. Again I say that the Canadian delegation would prefer to see such action taken within the United Nations. But, we think it is better to have action outside the framework of the United Nations than to have no action at all. The resources of the world if intelligently developed, utilized and distributed, are sufficient to banish much of the privation and misery now prevailing in so many parts of the world. In this field we can work together and we intend to work together.

(The Polish resolution, to which Mr. Tucker referred in his speech, calls on all member nations to use United Nations machinery in settling fundamental international economic problems and not to establish machinery for this purpose outside the U.N.)

APPOINTED STAFF OFFICER: Lieutenant-Colonel Bruce Fraser Macdonald, DSO, 30, of Edmonton, has been appointed general staff officer, grade one, in the directorate of military training at Ottawa. Lt.-Col. Macdonald has been serving at Camp Borden as commandant of the Royal Canadian Armoured Corps school.

BALKAN WATCH SUPPORTED

MR. ILSLEY BACKS U.S. PROPOSAL: Minister of Justice Ilesley, speaking in the U.N. Political Committee, Oct. 6, gave Canadian support to the United States proposal to put a special U.N. Watching Commission on the Greek-Balkan border. He urged acceptance of the U.S. resolution with a French amendment deleting the clause which asks the U.N. Assembly to hold Albania, Bulgaria and Yugoslavia guilty of aiding Greek guerillas.

Speaking earlier, Andrei Vishinsky, chief Russian delegate, placed the entire blame for Greece's troubles on intervention of the British and American Governments. Vishinsky urged rejection of the American resolution.

Mr. Ilesley said: In the long debate which has already taken place, the distinction between the things we are and the things we are not discussing and deciding has been made perfectly clear. We are not being asked to decide on the merits or demerits of the Greek Government. Nor are we being asked to consider the propriety or otherwise of economic aid to Greece. Clarity on these points is all the more necessary because a number of delegations have complicated and confused the issue in these respects. The position is now perfectly plain. No smoke screen of emotional propaganda can obscure it.

First of all, we are asked to consider a question of fact; whether certain countries, in contravention of the principles of the Charter, are giving aids to guerillas fighting against the Greek Government. Secondly, if the fact of such aid is established, we are asked to consider the steps to be taken to prevent it and thereby remove a threat to the maintenance of peace and security.

The Security Council as we all know, established a Commission to investigate the situation on the Greek frontier, and after some five months of study, this Commission reported its findings. As we also know, the Commission, by a majority of 8 to 2 reported that "on the basis of the facts ascertained by the Commission, it is its conclusion that Yugoslavia, and to a lesser extent Albania and Bulgaria, have supported the guerilla warfare in Greece."

ACCEPT COMMISSION'S FINDING

The U.S.S.R. and a few other delegations ask us to reject that considered verdict, given by responsible and experienced men. The Canadian delegation has given careful consideration to this finding of fact which was supported by a large majority of the members of the Commission and of the Security Council. We have given a considerable amount of study to the evidence on which the finding was based. We are prepared to accept this finding. The minority which dissented from it has supported its views largely by making counter charges of doubtful relevance. In this committee we have

listened to several statements about the character of the Greek Government. If arguments based on these allegations are to be used at all, they should surely be advanced in an attempt to justify intervention in Greek affairs rather than to deny that such intervention is taking place.

Statements made here, which call in question the findings of the Commission of investigation, have disclosed no new evidence to show that we had been given a misleading account of the situation. The report of the Commission and of the subsidiary group to which attention has recently been drawn, must, therefore, be accepted as the only basis on which we can proceed to plan any course of action. If the Assembly is to take effective action, it must, unless there are convincing reasons to the contrary, accept the findings of a substantial majority on an international investigating body as a basis of action. Otherwise we shall be left in a position where we can take no action at all, and the Assembly's efforts to obtain peace and settle disputes will become as futile as those of the Security Council. Such a development would weaken still further the ability of the United Nations to prevent war.

CONSIDERATION OF REMEDY

When we come to the second point, consideration of the remedy for the situation which a majority of members of the Security Council have found to exist on the borders of Greece, we must determine first what action is within the competence of the General Assembly. There can be no doubt that articles 11 and 14 of the Charter enable the Assembly to take action in circumstances where the Security Council has failed to do so. Indeed, the Charter lays upon us a solemn obligation not only to discuss these questions but to recommend measures for their peaceful adjustment. One proposal for dealing with this situation is to set up a committee in the Balkan Peninsula to assist in implementing the Assembly's recommendations. When a Commission of a similar character was proposed by the Security Council, its establishment was opposed on the ground that such action would "be contrary to the sovereignty of the states concerned". Such an argument, if it is seriously advanced, can of course, be justified in the light of the obligation entered into by all members of the United Nations at San Francisco:

"To take effective collective measures for the prevention and removal of threats to the peace and for the suppression of acts of aggression and other breaches of the peace, and to bring about by peaceful means and in conformity with the principles of justice and international law adjustment or settlement of international disputes or situations which might lead to a breach of the peace."

It is absurd to suggest that a recommendation that states should co-operate with an international Commission can be regarded as a

proposal to infringe upon sovereignty. On the contrary, a policy of non-co-operation with properly constituted international bodies can result only in the failure of our efforts to substitute international law and objective rules for those purely subjective standards of international conduct which inevitably lead to anarchy amongst nations. Arguments based on such a conception of national sovereignty are, as Mr. Spaak said the other day, indicative of a re-actionary attitude. They lead us into a new and vicious form of isolation.

ASSEMBLY SHOULD TAKE ACTION

In view of the serious situation which has been shown to exist in the Balkan Peninsula, the Canadian delegation considers that the Assembly should take action immediately towards the maintenance of peace and security in that area. We do not, however, consider that the resolution submitted by the Soviet delegation, insofar as it is based on mere counter charges against the Greek Government, contributes towards the solution of the problem.

We have come to the conclusion therefore that we should support the operative parts of the United States resolution and especially the proposal to establish a special committee.

We have, however, been impressed by the amendment put forward by the French delegation to paragraph 3 and 4 of the preamble to that resolution and by the argument that what is required now in respect to this unhappy business is conciliation rather than condemnation, prevention rather than punishment, a forward rather than backward look.

There can be no doubt that a situation which endangers the peace exists on the northern borders of Greece. This is the very kind of problem envisaged in article 14 of the Charter which empowers the Assembly to recommend measures for the peaceful adjustment of a situation which it deems likely to impair the general welfare or the friendly relations among nations. The question is whether all parties will accept the establishment of a special committee and co-operate in its work. We were glad to learn that the Greek Government is prepared to do so and we join in the appeal in this sense which has been made to Greece's neighbours to give similar assurances. Agreement along these lines would make it possible for the United States delegation to incorporate in its resolution the amendment contained in the French motion. The United States delegation has already offered to do so and the resolution before us would, with this change, become the joint proposal of both the United States and France.

If, however, Yugoslavia, Bulgaria and Albania refuse to accept this special committee and undertake to co-operate in its work, great doubt would arise as to the willingness of these three states to reach a peaceful solution of the problem and the case for the acceptance of the United States proposal in its original form would then be compelling, and we would be prepared to support it.

TRADE CHARTER A REALISTIC DOCUMENT: Addressing the Canadian Chamber of Commerce at its 18th annual meeting in Quebec city, Oct. 7, Mr. Paul Martin, Minister of National Health and Welfare, said two courses of international economic policy were open to the world today.

Nations, Mr. Martin continued, can unite to restore a multilateral world economy based on international law and order, in which national policies, insofar as they affect world trade, are made to be consistent with the general will of the community of nations. This new multilateralism would not be a return to the international exchange and trading practices of the past, for there are new conditions and new requirements, as well as new solutions for old sins and weaknesses. Or, (and I hesitate to say this, for it cannot be policy but rather lack of policy) nations can continue to drift in the direction of economic blocs and uneconomic bilateral barter patterned along the line developed so intensively by Nazi Germany.

For Canada there is no doubt as to what is the desirable choice. We must make every effort to move along the road to a multilateral trading world under internationally accepted law. This is the purpose of the International Trade Organization.

GENESIS OF THE I. T. O.

At the conclusion of the negotiations for the U.S. loan to Britain in December, 1945, the United States released a document entitled "Proposals for Expansion of World Trade and Employment". At the same time, a Joint Statement was issued by the U.K. and the U.S.A. in which the U.S.A. under-wrote the Proposals and the United Kingdom indicated full agreement on all important points, accepting them as a basis for international discussion.

The Geneva Draft Charter of the International Trade Organization is to be the basis for an international code for economic behaviour covering almost every aspect of world trade and commerce. If adopted and put into effect, it will restore a multilateral economic world governed by recognized international economic law. Collaboration and co-operation will replace unilateral decision. Consultation will replace economic warfare.

The draft charter is a lengthy, complicated and highly technical document containing nine chapters and one hundred separate articles. It covers a wider range of economic problems than has ever been incorporated into a single document in the entire history of international economic relations. It is clear that we cannot here and now examine the charter in detail, but I strongly recommend that you study and analyze it.

The main substantive provisions of the Trade Charter are contained in the chapter dealing with Commercial Policy.

1. It provides for Most Favoured Nation Treatment in all matters respecting customs duties and charges of any kind imposed on the import and export of goods. Preferential arrangements remaining after the completion of the tariff negotiations may be maintained, but margins of preference may not be increased.
2. It provides for National Treatment in respect of internal taxation and regulations of all kinds.
3. It calls for general elimination of all import and export quotas as the most restrictive and deadly weapon of economic nationalism. It provides for certain exceptions from this general and basic rule to meet the realistic requirements of the present-day economic facts of life but in every case it subjects these exceptions to close supervision and control and in most cases provides for their eventual abandonment.
4. It permits the controlled use of general subsidies where this practice does not result in serious prejudice to other members. Export subsidies are ruled out except for carefully limited cases where primary commodities are concerned. I might mention here that a long drawn out battle was fought on this issue and the Canadian viewpoint was finally adopted. If upheld at the world conference, this will require some fundamental changes in the network of export subsidization of agricultural products so widely practised by some of our competitors.
5. It provides for a code of commercial behaviour in regard to State-Trading enterprises which would introduce parallelism between the obligations of state trading enterprise and private enterprises in respect of levels of protection and non-discrimination. This breaks completely new ground in international economic agreements.
6. It provides for uniformity in customs formalities and for the abolition of arbitrary administrative methods for the exclusion of goods which have in the past proved extremely restrictive of trade. These particular provisions are of great importance for Canada, and have been the subject of serious and long complaint in our trade with the U.S.A.

CONTROL OF CARTELS

In addition to these basic rules for commercial policy the proposed Charter contains provisions regarding employment, the development of undeveloped economies, the control of international cartels, and principles that should govern the regulation of trade in primary commodities. The provisions on employment recognize the close relationship between national levels of employment and income and the level of world trade. It provides for an under-

taking by members to seek to maintain full and productive employment and a large and steadily growing demand within their own countries. It carries an undertaking by members to avoid creating persistent balance of payment difficulties for other members.

The provisions on development recognize that progressive economic development of the underdeveloped countries is essential to a growing volume of world trade and higher standards of life. Members undertake to cooperate to this end. The role of private investment is clearly recognized and members undertake not to impose new burdens on existing international investments or future investments after they have been made.

The provisions on the control of cartels carry an undertaking by members to eliminate those practices by private and public commercial enterprises which adversely affect trade because of restrictive arrangements. It is the first attempt at an international agreement to prevent the abusive practices of monopolies and cartels.

TRADE IN PRIMARY COMMODITIES

The provisions regarding trade in primary commodities recognize that the problems affecting the production and trade in such commodities which may, under certain conditions, warrant the setting up of Intergovernmental Commodity Agreements. It provides a code of laws to govern the setting up and operation of such agreements in order to avoid the abuses which have occurred in the past.

The Trade Charter has been criticized as an idealistic document not suited to the economic facts of life in the real world around us. It has been criticized as an empty document so ridden with exceptions and escape clauses as to completely invalidate the basic principles upon which it rests. In fact, the Trade Charter is a realistic document based on bold compromises between the needs and pressures of many nations organized under a variety of economic systems, and if it is to work it could not be anything but a compromise.

The house it proposes to build is made of earthy substance, brick and mortar. It provides comfort not only in the economic summer but has storm windows and a sound heating system for the rigidities of economic winter. Nor is it a finality. Sufficient leeway for a second storey or a new wing is provided for should the changes in economic weather require it. What we must not forget, and I want to emphasize this point, is that it creates a structure within which the community of nations can live a peaceful and prosperous life if there is a determined spirit of co-operation and mutual accommodation.

The minds of all men are today concerned with the immediate pressing problems which have been raised by the economic crisis in the United Kingdom, Europe, and elsewhere. Even now, new restrictions, and further trade cuts are taking place. While we are busy writing

the laws of multilateralism, the world is drifting into the dangerous waters of economic nationalism, trade blocs and uneconomic bilateral deals. Is it realistic to expect any success from our efforts in the present situation? The current problems are urgent problems and fraught with great danger. We cannot underestimate them. But, gentlemen, here we must maintain our perspective and make balanced judgment. It was never intended that the I.T.O. would solve our present transition difficulties. It is basically an effort to provide the long-term solution to our economic ills once some normalcy and equilibrium has been restored. Unless a sound groundwork is laid for the future, all the palliatives and emergency measures will come to nought. The I.T.O. provides such a groundwork. The present problems are great problems and they can and must be solved. But it is equally true that unless they are met by bold and courageous action, along the lines envisaged by the Marshall Plan, the tremendous effort to establish a new order in international trade and create better conditions for the future will have been in vain.

WEEKLY SECURITY PRICE INDEXES: The following are security price indexes of the Dominion Bureau of Statistics for the week ending Oct. 2, 1947, a week and month earlier:

	Oct. 2	Sept. 25	Sept. 4
	(Base 1935-39=100)		
INVESTORS' PRICE INDEX			
(100 Common Stocks)...	104.5	102.8	104.6
74 Industrials.....	97.7	95.9	97.8
18 Utilities.....	118.2	115.0	115.6
8 Banks.....	125.5	127.4	130.5
MINING STOCK PRICE INDEX			
(27 Stocks).....	88.6	87.7	88.2
23 Golds.....	80.6	79.8	79.8
4 Base Metals.....	102.0	101.0	102.5

GLIDERS FOR ACTIVE ARMY: Nearly 50 gliders, to be used for basic airborne instruction, will soon be distributed across Canada to units of the Active Force Brigade Group, Army Headquarters announce.

Glider erection teams from the Joint Air School (Army Component) at Rivers, Man., will assemble the gliders at the various centres in preparation for the start of the unit airborne training.

At present, unit air instructors courses are being conducted at the Joint Air School, at the conclusion of which the unit instructors will return to their units and teach their particular air basic airborne work.

This training is in accordance with the general Canadian Army policy of having the entire Active Force Brigade Group schooled in airborne training and completely air transportable.

CANADA'S AIM AT THE U.N.: In the course of an address at the annual meeting of the Canadian Chamber of Commerce, Quebec City, Oct. 7, the Secretary of State for External Affairs, Mr. St. Laurent, said: It requires no extensive research to enable one to come to the conclusion that things are not going well with the United Nations. The attitude of our Russian friends, though perhaps not surprising, has certainly been disappointing, one might almost say exasperating.

I have said that it was not surprising because it has been from the very first stubbornly consistent. At the International Conferences, while the War was on, it appeared quite natural to Stalin that all the important decisions be made by himself, by Churchill and by Roosevelt. When Mr. Churchill and Mr. Roosevelt suggested a United Nations organization, Mr. Stalin agreed, but stipulated that the organization would have nothing to do with the peace terms to be imposed upon our former enemies and these terms would be determined by the foreign ministers of the big three, which might become the big four if France joined them. He also stipulated that the United Nations would only act through a Security Council and that no important decision in the Security Council could be made without the concurrence of his representatives i.e. that each of the big powers would have an absolute veto.

When the rest of us signed the United Nation Charter at San Francisco we had to accept these conditions and we did accept them after it had been stated by representatives of the big powers, in the presence of the Russian delegates, that no one of them would use his right of veto except in the interest of the United Nations as a whole. Since then, the Russian representatives have used it over twenty times and, as a consequence, they have made the Security Council practically unworkable as the main instrument of the United Nations to secure and maintain peace. That is apparently what they want and they are now waxing very indignant over what they call the efforts of the United States, the United Kingdom and the powers friendly to them to by pass the United Nations and get something accomplished in spite of their vetoes.

WHAT SOVIET UNION WANTS

I say again that this is not surprising because we have long known that the attitude of the Russians is to insist that "no international question can be solved correctly and justly if an attempt is made to solve it without the Soviet Union, or against its interests". Now, it is perfectly clear that the Soviet Union wishes to see what it calls Capitalistic Regimes destroyed and Communist totalitarianism established everywhere.

It is also obvious that the physical destruction brought about by the war in Europe

will result in the total collapse of European economies if some further substantial assistance is not forthcoming from the new world. The Russians feel that this collapse would facilitate the extension of their communistic regimes and they are, therefore, doing everything in their power to prevent the new world from extending any further assistance to Europe. That is one explanation of the vitriolic demagoguery uttered by Mr. Vishinsky at Flushing Meadows a few days ago and it is one of the reasons why the Comintern has again raised its head on the European scene. There are communists in practically every country of continental Europe and in order to help them in their struggle for power and domination, it is felt useful to give them public encouragement. That should increase their self-confidence and also their confidence in the prospects of success.

The line taken by Mr. Vishinsky at this assembly and echoed by the satellite slavish powers is by no means new. For months past, a Government controlled Press and Radio in the Soviet Union have been hammering out the theme that the United States is preparing to attack U.S.S.R. This propaganda has been carried on in an area fenced by the most powerful censorship and the most rigorous control of opinion which the world has ever known. It has been designed to create the stereotype of a gigantic and powerful capitalistic country bent upon destroying governments set up by the working classes and piling up atomic bombs for eventual use against Soviet Union at the most propitious time. The reactions aroused by Mr. Vishinsky's speech were at once relayed to Moscow and displayed in the Soviet Press. Is it not fair to assume that Mr. Vishinsky, knowing that everything which can be regarded as news, gets wide publicity in the papers of the North American continent, deliberately planned thus to secure some evidence for domestic consumption of the validity of the line which the Soviet Government has been pursuing for months past.

The second and perhaps even more important purpose of this campaign may very well have been to endeavour to frighten certain portions of public opinion on the North American continent about the possibility of United States intervention in Europe ultimately leading to war and thereby prevent acceptance by the public and by Congress of the Truman and Marshall plans for aid to Europe. Without such aid it is reasonable for Russians to expect that the regimes based upon private ownership and private enterprise will collapse and give way to regimentation by communistic bureaucrats and that Governments modeled on theirs will in fact be subservient to Moscow's influence and only too willing to implement that higher loyalty which Moscow seems able to inspire in those it has trained in its communistic institutions.

Now, all this is not merely a matter of

ideology; it has become a very concrete problem for each one of us. We, in Canada, have an economy based upon the principle of multi-lateral trade and multilateral currency conversion. We buy from the United States commodities to the value of hundreds of millions of dollars more than we sell in that market and unless we can use the surpluses from our sales to other countries to pay for our United States purchases, we will have to cease making these purchases. We are, therefore, vitally concerned in the prompt restoration of European economies and in the removal of those troublesome threats to peace and stability which block the path to such restoration, and it was not merely words I was speaking when I said to the General Assembly the other day on behalf of the Canadian Delegation:

"The fact remains, however, that these problems must be solved and that procedures and practices which obstruct such solutions must be changed. This can be done by the voluntary abandonment of these practices; by agreed conventions or understandings which will regulate them; or, if necessary, by amendments to the Charter. We must hope that no member of the Security Council will flout clearly expressed world opinion by obstinately preventing change and thus become responsible for prejudicing, and possibly destroying, the Organization which is now man's greatest hope for the future.

Nations, in their search for peace and cooperation will not and cannot accept indefinitely and unaltered a Council which was set up to ensure their security, and which, so many feel, has become frozen in futility, and divided by dissension. If forced, they may seek greater safety in an association of democratic and peace-loving states willing to accept more specific international obligations in return for greater national security. Such associations, if consistent with the principles and purposes of the Charter, can be formed within the United Nations. It is to be hoped that such a development will not be necessary. If it is unnecessary it will be undesirable. If, however, it is made necessary, it will take place. Let us not forget that the provisions of the Charter are a floor under, rather than a ceiling over, the responsibilities of member states. If some prefer to go even below that floor, others need not be prevented from moving upwards."

ONE WORLD ORGANIZATION

Since then, we have been elected to membership on the Security Council. Our conduct there will be along the lines of the above cited statement. We will go to the most extreme limits to make the United Nations work as a universal one world organization, and I still hope we can do it. We are the majority in numbers, we possess the greatest production capacity, we possess the strongest armaments and we have on our side the freedoms that seem

so indispensable to the true nature of God made men. We are willing to devote all that to the welfare and uplifting of all men. But if theory crazed totalitarian groups persist in their policies of frustration and futility we will not, for very much longer, allow them to prevent us from using our obvious advantages to improve the conditions of those who do wish to cooperate with us and thereby overcome the difficulties we ourselves are experiencing from the present disruption in the normal flow of trade and the normal exchanges of specialized services between nations and between their respective peoples.

To overcome those difficulties, Governments may have to resort to some measures of regimentation and direction of the economies of their peoples and if and when that is done the efficiency and real helpfulness of those measures will depend upon the manner in which they appeal to you and to the other informed members of our Canadian public.

You may be assured this whole problem is being given and will continue to be given the most careful consideration by the government and by those from whom it takes expert advice in that regard. We are not going to jump at hasty conclusions, but we are not going to stand idly by and allow situations to develop to the point where they would be apt to be irremediable.

We will count upon your whole hearted cooperation and I am sure that if our policies are wisely conceived and put forward in a truly constructive way, we will all be able to rise above considerations of ordinary partisan politics and push them forward with the same patriotic fervor and unselfish unanimity that characterized our national efforts during the strenuous days of the shooting war. Those days are over but we still have with us the profound dislocations which they brought about and those dislocations have got to be dealt with in the same unselfish spirit that gave us victory in the shooting war. It can be done. Let's, each one of us, make it our business individually and collectively, to see that it is done.

CANADA'S FOREIGN TRADE: Foreign trade of Canada in August was valued at \$429,400,000, a decrease of eight per cent from the July total of \$466,400,000, but an increase of five per cent over August last year when the figure was \$409,200,000, according to the Dominion Bureau of Statistics. During the first eight months of this year the value aggregated \$3,497,800,000 compared with \$2,715,900,000 in the similar period of last year, an increase of 28.7 per cent.

Over the eight months' period of 1947, Canada's adverse balance of trade with the United States totalled \$644.5 million, against an adverse balance of \$294.4 with the U. S. for the corresponding period of 1946. With the U. K., Canada had a favourable balance of \$372.1 million for the eight months of 1947

against a favourable balance of \$231.7 for the corresponding period of 1946.

GERSON GETS 4 YEARS: Harold Samuel Gerson, of Montreal, former key man in the Munitions and Supply Department, was convicted in Ottawa last night by an Ontario Supreme Court jury in his second trial on a charge of conspiracy to supply confidential information to Russia, and was sentenced to four years in prison.

It was Gerson's second trial. In the first on the same charge he was sentenced to five years but the Ontario Court of Appeal quashed the conviction on the ground that the indictment had been altered after Gerson's appearance in court.

NEWFOUNDLAND DISCUSSIONS

SUMMARY OF PROCEEDINGS ISSUED: The Department of External Affairs released today a Summary of Proceedings outlining the discussions between delegates from the National Convention of Newfoundland and representatives of the Government of Canada which took place in Ottawa from June 25th to September 29th. The report, which runs to some 350 pages, was released simultaneously in Ottawa and St. John's, where it was tabled this afternoon in the National Convention of Newfoundland.

The Summary of Proceedings, which was agreed to at the final meeting of the conference, is documented with fifteen appendices which contain information concerning the factors which would have to be taken into consideration in formulating a basis for federal union of Canada and Newfoundland. With respect to the delegation's desire "to ascertain from the government of Canada what fair and equitable basis may exist for federal union" of the two countries, the report states that "the Committee of the Cabinet who had had the opportunity of discussing these matters with the Newfoundland delegation would bring the information arising

out of the conversations and their conclusions thereon to the attention of the Cabinet promptly and that the reply of the Canadian Government would be forwarded to His Excellency the Governor of Newfoundland, for transmission to the National Convention, as expeditiously as circumstances would permit."

The documents contained in the Summary of Proceedings issued today include an outline of the constitution and government of Canada and the Canadian federal system; a statement of the Newfoundland services which, in the event of union with Canada, would appear to fall within the federal sphere; submissions of sub-committees on the public debt of Newfoundland, the financial implications of union, transportation, veterans' benefits, unemployment insurance, maritime freight rates, Indians and Eskimau, housing and fisheries; and answers to a large number of questions asked by the Newfoundland delegation with respect to such matters as marriage and divorce, education, jurisdiction over public lands, roads, defence, harbours, Gander airport, oleo-margarine and the status of Labrador. The report also contains a list of the publications, covering most of the activities of the federal government, with which the Newfoundland delegation was supplied during their visit.

It had originally been hoped that an answer to the Newfoundland delegation's question could be given at the conclusion of the discussions. However, the situation was altered by the loss which the Canadian Cabinet and the Cabinet Committee which met with the Newfoundland delegation suffered in the recent death of the Honourable H. F. G. Bridges, Minister of Fisheries. The Canadian Government, therefore, came to the conclusion that in a question of such great importance to the Maritime Provinces and to the whole of Canada as federal union of Canada and Newfoundland, it was desirable that there should be a full Cabinet including an elected representative from New Brunswick to decide what reply should be made to the National Convention of Newfoundland.