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WEEK'S EVENTS IN REVIEW

PRIME MINISTER'S RETIREMENT: Addressing the National Liberal Federation dinner, January 20, Prime Minister Mackenzie King announced his desire to retire as leader of the Liberal party. He asked that a Liberal convention be called to name his successor. (P. 7-11).

SUCCESSION TO LEADERSHIP: In Winnipeg yesterday, the Secretary of State for External Affairs, Mr. St. Laurent, (according to Press despatches) told interviewers that he would give serious consideration to the matter if asked to take over the Liberal leadership on retirement of Mr. Mackenzie King. "If it were something which would further rather than retard Canadian unity," he said, "I don't see how I could refuse. On the other hand, if there were any indication of a split in the party on racial or religious lines I should not like to be a party to such a split."

CABINET CHANGES: The Prime Minister has announced the following changes in the Cabinet:

Rt. Hon. Ian Mackenzie, Minister of Veterans' Affairs, appointed to the Senate.

Hon. M.F. Gregg V.C., Minister of Fisheries, appointed Minister of Veterans' Affairs.

Rt. Hon. C.D. Howe, Minister of Reconstruction and Supply appointed Minister of Trade and Commerce.

Hon. James A. MacKinnon, Minister of Trade and Commerce, temporarily appointed Minister of Fisheries.

Hon. J.J. McCann, who held the two portfolios of Revenue and National War Services, resigns the War Services portfolio but continues as Minister of National Revenue.

The appointment of Mr. Mackenzie to the Senate will mean a by-election in Vancouver Centre, the seat he represented in the House of Commons. There are now three vacancies in the House of Commons and nine in the Senate.

The Prime Minister further announced that the work of the Department of National War Services having been completed, Chester H. Payne, I.S.O., had, on January 1, 1948, begun the usual leave prior to retirement from the position of Associate Deputy Minister to which he was appointed on March 23, 1943.

EXPORTS INCREASE: Canada's exports during 1947 were valued at \$2,775 millions, which is over three times the average annual value of her exports in the prewar years 1935-1939, and twenty per cent greater than in 1946, according to a statement issued today by the Minister of Trade and Commerce, Mr. C.D. Howe. It must be recognized, however, that the general price rise in most products during the year under review contributed in large part to the increase over previous peacetime years.

The statement continues: There were few pronounced changes from the preceding years in the geographical distribution of Canada's export trade in 1947. The United States and Great Britain continued to provide the principal markets for Canadian products, with over 64

SURPLUS RUSSIAN FLAT CARS

SOLD FOR \$4 MILLION U.S. FUNDS: Upwards of four million dollars in United States funds will come to Canada as a result of the sale by War Assets Corporation of about 1,500 wide-gauge flat cars built during the war for the Russian government and which became surplus at the end of hostilities.

In September 1,000 of these cars were sold for \$2,200,000 U.S. currency, with an option on the purchase of the remaining 500 for \$1,100,000. That option has now been exercised. The cars are destined ultimately for Argentina.

A stipulation of the sale is that conversion of the cars to Argentina's requirements will be carried out in Canada and paid for in U.S. funds.

The cars were built in Canada under Mutual Aid, and all except about 300 were at Vancouver ready for shipment to Russia when the war ended, and the order for them was cancelled. The other 300 are at Trenton, Nova Scotia. Because they are wide gauge and unsuitable for use in this country, no buyers in Canada were interested in them, and until they were purchased for Argentina, they faced the possibility of being reduced to scrap with only a very nominal return in dollars. This transaction will now bring to Canada much needed U.S. dollars in a substantial amount.

WORKERS' EARNINGS INCREASE: Information received from 6,378 manufacturers for the week of November 1, 1947, showed increases as compared with the week of October 1 in the number of their hourly-rated wage-earners, in the aggregate hours worked by such persons, and in their total hourly earnings. To a considerable extent, the improvement in the situation resulted from the settlement of industrial disputes in the meat packing industry.

The weekly wages of the workers averaged \$36.34 before deductions for income tax, unemployment insurance, etc., as compared with \$35.95 in the week of October 1, 1947, \$30.91 at November 1, 1946, \$30.31 at November 1, 1945, and \$32.55 at November 1, 1944.

MEAT FOR BRITAIN: Exports of meat by the Meat Board of Canada during the calendar year included 257,818,000 lb. of bacon, 6,591,000 lb. of pork offals, 52,031,000 lb. of beef, carcass basis, 106,000 lb. oxtails, 311,000 lb. beef offals, 4,455,000 lb. mutton and lamb, all of which went to the United Kingdom. There was also 51,598,432 lb. of canned meat exported, of which 15,035,572 went to the United Kingdom, 28,594,980 to UNRRA and the Canadian Jewish Congress and the remainder to 14 European countries.

MOVEMENT OF POPULATION

TRENDS IN SASKATCHEWAN: Of the total population of Saskatchewan five years of age and over on June 1, 1946, 151,840 or 18 per cent were residing in a different city, town, village or rural municipality than on June 1, 1941. This is revealed in figures released by the Dominion Bureau of Statistics showing intra-provincial movements of the population and inward movements to the province based on a comparison of residences at the two dates, together with estimates of out-migration during the five-year period. For 83 per cent of the movers, the change of residence was within the province only, while 15 per cent were residents of other provinces in 1941, and the remaining two per cent were living in countries outside of Canada.

Comparison of the communities of origin and destination reveal a trend in movement from rural farm homes to homes in urban centres. Although 71,462 or 47 per cent of all migrants were living in a farm home in 1941, it was the destination of only 38,776 or 25 per cent of the migrants. On the other hand, 60,486 or 39 per cent of the migrant population came from urban centres in 1941 but it was the destination of 96,227 or more than 63 per cent of all movers. A very slight gain of less than two per cent was shown in the number of migrants moving to rural non-farm homes as compared with the 14,494 persons leaving homes in these localities.

Exact figures as to the number of out-migrants during the five-year period are not available since the 1946 Census enumeration covered only the Prairie Provinces. An estimate based on the expected population in 1946 through natural increase, as compared with the actual population, places the net decrease through migration at 123,906. Adding to this figure the number of in-migrants at 25,804, the number of out-migrants from Saskatchewan is estimated to be of the order of 150,000 for the period 1941-46. A further estimate indicates that this out-migrant population was roughly distributed as follows: 75,000 from rural farms, 25,000 from rural non-farm homes, and 50,000 from urban centres.

RETAIL PRICES FOR BUTTER: Following the announcement by the Minister of Finance, Mr. Abbott on the reimposition of price control on butter (C.W.B., Jan. 16), the Wartime Prices and Trade Board announced the order establishing price ceilings at all levels on creamery butter, dairy and whey butter, effective Monday, January 19.

The maximum retail price to the consumer for top grade creamery butter in prints will be 73¢ per pound in Ontario and Quebec, 74¢

per pound in the Maritimes, 71¢ per pound in Manitoba and Alberta, 70¢ per pound in Saskatchewan and 72¢ per pound in British Columbia.

The trade markups are the same as those in effect during the time when butter was formerly under price control, officials said.

Maximum prices of whey and dairy butter will be at approximately the same levels as those in effect for creamery butter.

CANADIAN INDIAN OFFICER DECORATED: Lt. Dave Greyeyes, a Saskatchewan grain farmer and member of the Muskeg Lake Indian Reservation, has been awarded the Greek Military Cross, Class III, for gallantry in support of the Greek Mountain Brigade during the Italian campaign. A full blooded Cree and son of a former reservation chieftain, he is one of the few Indians to attain commissioned rank in the Canadian Army in the last war.

In all, 3,090 Canadian Indians, including 72 Indian maidens, took to the war path. This time their weapon was the tommy gun instead of the tomahawk and the prize was a medal instead of a scalp. Two hundred and thirteen were killed in action or died of wounds.

To enlist, many of them travelled hundreds of miles from their northern trap lines by canoe and on foot and for some it was their first contact with a city. Of the three services, Indians favoured the Army most. In the Army it was the infantry or the "walkemfasts" that appealed to them.

MILITARY TOWNSITES PLANNED: Plans have been completed and work has already begun on what will be Canada's first self-contained military townsites. Presently two in number, they will be at Shilo, Man., and Borden, Ont., but similar plans are in store for Petawawa, Ont., and Rivers, Man., and eventually for all Army stations across the country.

Both townsites will be most modern in design and as self-sustaining as any civilian community in Canada.

Although work on the townsite at Camp Borden is more advanced than is the case at Shilo, due to the availability of many conveniences in a near-by built-up area, Shilo is destined to be the most complete military centre in the country, according to plans made public this week at Army Headquarters. These plans, drawn up by the Army's Directorate of Works and Accommodation in Ottawa and the Shilo Development Committee, call for the erection of some 200 dwellings together with the construction of electric, water, sewer, telephone and road services. A portion of the houses to be built will be semi-prefabricated single homes while the balance will be double concrete block types.

The plan, unique in Canadian military history, is a long range one. While no definite time limit has been applied to the construction, the emphasis for the present is on living accommodation for married personnel at the

camp. Later, as materials and labour become available, a public school, shopping district, library, theatre, sports stadium and other community amenities will be built. Literally carved out of the bald prairie, the townsite will include everything from a community bandstand to a communal cemetery.

WAR ASSETS SALES NEAR \$415,000,000: Sales totalling \$5,435,500 during December have brought the grand total of receipts by War Assets Corporation from the disposal of war surplus to \$414,995,000.

Sales for the calendar year ended December 31, 1947, amounted to \$100,642,000, an average of about \$8,387,000 a month.

Aggregate of sales to the year's end, by principal commodities was, in round numbers, as follows:-

Ships and Components	\$115,715,000
Automotive Vehicles and Equipment	66,863,000
Machinery and Production Equipment	59,011,000
Lands and Buildings	45,584,000
Clothing and Textiles	33,610,000
Electrical Equipment	15,676,000
Metals	14,973,000
Scrap	10,052,000
Aircraft and Components	9,409,000
Chemicals	8,365,000
Office Furniture & Equipment	4,891,000
Other Miscellaneous Materials	30,846,000

ARMY STAFF COLLEGE

FIFTY-TWO STUDENTS SELECTED: Fifty-two students representing the armed forces of Canada, the United States, Great Britain, South Africa and France, have been selected to attend the 1948 course of the Canadian Army Staff College which opened at Kingston January 19, announces the Minister of National Defence, Mr. Brooke Claxton. The College is located at historic Fort Frontenac and the course lasts for 10 months, concluding November 26.

The majority of the students will be from the Canadian Army, but there will be two from the Royal Canadian Air Force and one from the Royal Canadian Navy, while Britain and the United States will be represented by two each and South Africa and France by one each.

The 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 during time of peace and war. In addition, the curriculum has been designed to broaden the knowledge of officers in such ways as will be valuable to them and to the army in peacetime. For this purpose the course has been divided into theoretical and practical phases, the first emphasizing tactics and including lectures by prominent men on matters of national and international importance, and the second half concentrating on the preparation of training syllabi and tactical exercises in the field with and without troops.

Major-General J.F.M. Whiteley, former army instructor at the Imperial Defence College in England and now in Canada on an exchange basis, is commandant of the College, and the director is Col. W. Clement Dick, OBE, of the Canadian Army.

Other members of the directing staff are Lt.-Col. R.T. Bennett, RCOC; Lt.-Col. E.D. Danby, RCIC; W/C F.W. Hillock, RCAF; Lt.-Col. W.E. Kern, U.S. Army; Lt.-Col. J.K.S. Manuel, RCASC; Lt.-Col. G.M. Paradis, RCAC; Lt.-Col. C.H. Spencer, RCE; Lt.-Col. T.G.V. Stephenson, Royal Signals; Lt.-Col. E.S. Tate, RCA; and Lt.-Col. N.G. Wilson-Smith, MBE, Royal Winnipeg Rifles. GSO 2 of the College is Major H.L. Brown, RCAC.

Included in the course will be two weeks of joint study with the RCAF Staff College from Toronto, with emphasis laid on air problems as they affect the army. Also planned is a trip to the Canadian Joint Air School at Rivers, Manitoba.

Tactical exercises in the field will be carried out over a wide area near Napanee, Smith Falls and Ganouque, and will include a signals exercise at Vimy in cooperation with the Royal Canadian Corps of Signals. This will be on a divisional level with divisional headquarters moving tactically.

NEW DESTROYER COMMISSIONED: The latest addition to the Royal Canadian Navy's peacetime fleet, the Tribal class destroyer, H.M.C.S. "Athabaskan", (Commander J.S. Davis, R.C.N., of Oakville, Ont.) was commissioned in Halifax, January 20.

"Athabaskan", the last of the Canadian built Tribal class destroyers, is of the same class as the "Athabaskan" lost in action off the coast of France almost four years ago.

The new "Athabaskan" which was built by Halifax Shipyards, Ltd., embodies all her predecessor's fighting qualities plus a few additional features in comfort and convenience not common to older type destroyers. Among some of the more important innovations is the laundry, fitted with three commercial washing machines and a tumbler dryer, easing the "dohobeying" problems of the ship's company. She is very thoroughly insulated, providing the greatest possible comfort in either equatorial or northern climates. Water coolers and domestic refrigerators are also a boon in the modern destroyer's far ranging operations. Weather decks, as in other ships of her class are laid with non-skid, sentex deck covering. Sure to appeal to the entire crew is the fountainette, capable of caring for the ice cream longings of everyone. She will be a more comfortable "Home away from Home" for the men that sail her.

"Athabaskan", when finally completed, is slated for duty in the R.C.N.'s Pacific Command, operating out of Esquimalt, B.C.

The first "Athabaskan", British built for Canada, made an illustrious name for herself in less than a year and a half of service.

Damaged by a flying bomb in 1943, she was repaired and on the day after Christmas while on the Murmansk run, she took part in the sinking of the "Scharnhorst". She later joined other Canadian Tribals, making pre-D-Day sweeps in the channel and on April 26, 1944, she shared in the destruction of an Elbing class destroyer. Three days later she was sunk in another action with two Elbinge. Although she kept her guns firing until the end, a torpedo from the enemy broke her in two.

FARM LOAN BOARD

APPOINTMENTS ANNOUNCED: The Minister of Finance, Mr. Abbott announced January 19 appointments to the Canadian Farm Loan Board arising out of the retirement on December 31, 1947, of Dr. J.D. Maclean, C.B.E., as Commissioner and Chairman of the Board.

Thomas F. Donnelly, M.D., C.M., who was appointed a Member of the Board on May 8, 1945, has been designated as Commissioner and Chairman. To fill the vacancy caused by the death of Aime Boucher, Adrien Beaulieu has been appointed a Member of the Board. Mr. Beaulieu has had extensive experience in farming in Eastern Quebec and is presently a merchant in Ormstown, Quebec.

John C. Murray, Chief Inspector of the Board will, in addition to carrying on his present duties, be a Member of the Board. All appointments commence on January 1, 1948, and in the case of Dr. Donnelly and Mr. Murray will be for one year and in the case of Mr. Beaulieu will be for five years.

Joseph Amroise Proulx, M.B.E., has been appointed Chief Executive Officer of the Canadian Farm Loan Board for the Province of Quebec. Mr. Proulx succeeds the late Mr. P.A. Angers who died on December 4, 1947.

Mr. Proulx was born at L'Avenir and holds the degree of B.S.A. from Oka Agricultural College. He held successively from 1920 to 1940 the positions of Provincial Agronomist at Richmond, Quebec, Manager of the Co-operative Federee, at Richmond, Quebec, and Chief Reviewing Officer of the Canadian Farm Loan Board at the Quebec Branch. He was employed by the Provincial Department of Agriculture from 1940 to 1945. Mr. Proulx was engaged in farming from 1945 to 1947, when he rejoined the Board as Chief Reviewing Officer. Mr. Proulx's appointment is effective from January 1, 1948.

VETERANS FORM CO-OP FARM: Ten veterans, who spent last year clearing and breaking bushland in the Carrot River tract set aside by the Saskatchewan Government for veteran settlement, have formed the first co-operative farm in the burned-out timber block lying 100 miles east of Prince Albert.

Co-operatives Minister L.F. McIntosh announce the incorporation of the River Bend Co-operative Farm, seventh co-op farm in Saskatchewan and the second to be organized by veterans.

USSR ATOMIC ENERGY PROPOSALS: Meeting at Lake Success N.Y. on January 16 for the first time in the new year, the Working Committee of the Atomic Energy Commission, in accordance with the plan of work adopted by it on 18 December 1947, returned to the study of the Soviet proposals on Atomic Energy control of 11 June 1947, and in connection herewith of the questions submitted by the United Kingdom to the Soviet delegation on these proposals and of the Soviet replies to these questions.

In respect to paragraph 1 of the Soviet proposals, Francois de Rose (France) asked whether, in the understanding of the Soviet delegation, the outlawing of atomic weapons would insure similar measures with regard to other weapons of mass destruction; whether atomic control, as visualized by the Soviet proposals, included control of prospecting; whether the Soviet delegation accepted control over "related activities" like production of heavy water, pure graphite etc; whether the Soviet proposals envisaged control of scientific research activities and finally, whether control of clandestine activities was acceptable to the Soviet delegation.

REPLY BY MR. GROMYKO

In reply, Andrei A. Gromyko (USSR) said that the General Assembly resolution spoke of "convention or conventions" to be concluded for the control of Atomic Energy. Although the resolution did not specify the number of such conventions, it followed clearly that the most important task was the prohibition of atomic weapons. For this reason, said Mr. Gromyko, the Soviet delegation had, in June 1946, submitted a draft of a convention on this matter.

As to the extension of control to "related activities," Mr. Gromyko said that he had already declared in the Security Council, that control over Atomic Energy should not include such branches of industry which do not produce Atomic materials. An unjustified extension of control to these fields of industry would constitute interference with the internal affairs of a state and with questions which were within the internal jurisdiction of that state. For this reason, he declared, such control would be inadmissible.

On prospecting, Mr. Gromyko said that prospecting should be decided upon and carried out by the state and not by an international organ. He agreed that the question arose here on how could it be assured that no clandestine exploitation was being undertaken. However, he declared, this raised the whole question of clandestine activities in connection with any international convention. The first report of the Atomic Energy Commission, he said, had recommended some measures in this respect, like aerial surveys, but this did not solve the question. The International Control Agency, he added, should base itself on the assumption that states, signatories to the convention,

had undertaken obligations to implement this convention and that this fact naturally excluded clandestine activities.

With regard to scientific research activities, Mr. Gromyko said that these should be undertaken by the state itself, which did not exclude scientific research by the International Control Agency. In cases when scientific research activity by a state involved the use of Atomic materials quantities, the International Control Agency, he said, should take the same measures as it would have taken in the case of an industrial installation producing Atomic materials.

Mr. Gromyko pointed out that paragraph 1 of the Soviet proposals contained two basic ideas: (1) conclusion of a convention for the prohibition of Atomic weapons; (2) simultaneous establishment of strict international control over all facilities engaged in mining of Atomic raw materials and in production of Atomic materials and Atomic Energy. He stressed the last idea particularly, because as he said, some delegates did not seem to pay sufficient attention to this provision.

GEN. MCNAUGHTON'S COMMENT

General A.G.L. McNaughton (Canada) said that if the expression "simultaneous" in paragraph 1 of the new Soviet proposals applied not only to the convention prohibiting Atomic weapons but also to control methods to make this prohibition more effective, he had no particular anxiety as to the whole question whether one or several conventions should be concluded. However, he continued, this expression did not seem to apply to all agreements for Atomic control, and this would not in fact satisfy the conscience of the world.

If, continued General McNaughton, "strict international control", as envisaged by the Soviet proposals meant the kind of control which the majority of the Committee had always considered essential to give the necessary effectiveness to the control system, his delegation would be very happy to be in agreement. Unfortunately, however, declared General McNaughton, the detailed replies given by Mr. Gromyko to the French delegate, particularly the Soviet reservations on prospecting, scientific research, and undeclared activities, left the Canadian delegation with "great anxiety" that such was not the case, and he hoped that Mr. Gromyko would set these anxieties at rest in his coming statements.

WILL HEAR CANADIAN EXPERTS: Committee two (control) of the Atomic Energy Commission met January 19 for the first time this year, with General McNaughton representing Canada. The Committee considered the operational structure of the proposed International Control Agency and decided to hear experts from Canada, the United States, U.K. and Belgium who might be able to give the Committee the benefit of

their experience on issues involved in the organizational structure of the Control Agency. The representative of China recommended that these experts be persons with experience in the national control of Atomic Energy and executives of large industrial enterprises.

General McNaughton suggested that the Committee hear representatives of the Ontario Hydro Electric Power Commission and Quebec Streams Commission, as well as representatives of private power producers. He stated that, since power enterprises in the U.S.S.R. were of the same magnitude as those in Canada, the Committee would find it valuable to hear U.S.S.R. experts explain the formulation of policy in the U.S.S.R. and the translation of policy into action.

Professor Skobeltsin, (U.S.S.R.) doubted whether it was wise to have too many experts testify before the Committee. He emphasized that no agreement had been reached on the functions of the International Control Agency and that the U.S.S.R. viewed the task of that Agency quite differently from the majority of the Committee.

General McNaughton stated that he regretted this view and stressed that the appearance of Soviet experts before the Committee would give the U.S.S.R. the best opportunity to explain the principles it considered essential. He said that although there was no agreement as to basic principles, such agreement would be difficult to achieve until all aspects of the problem were clarified. He emphasized that the Committee had necessarily to proceed from the particular to the general as it was practically impossible to proceed in the reverse manner, and expressed the hope that in due course Soviet experts would be able to give the Committee the benefit of their experience.

INTERNATIONAL TRADE ORGANIZATION: Seven important problems still remain to be solved by the International Conference on Trade and Employment now meeting at Havana, Cuba, according to a progress report made to the General Committee January 16 by Eric Wyndham-White, executive secretary.

Mr. Wyndham-White lists them as follows:

1. Prior approval for measures such as quantitative restrictions taken in conflict with negotiated commitments for economic developments.
2. Prior approval for the introduction of new preferential arrangements.
3. Composition of the executive boards of the ITO.
4. Establishment of the Economic Development Committee.
5. Composition of the Tariff Committee and its role within the organization.
6. Role of the International Court of Justice in relations to appeals from its decisions.
7. Relations with non-members.

In his report, which was based on individual reports from the chairman of the six full committees concerning outstanding issues as of

January 12, Mr. Wyndham-White suggested that, without prejudice to the normal continuation of work, the General Committee might consider the possibility of appointing a small group of representatives who should be given the task of working out a compromise formula. The members, according to his plan, would be appointed on the basis of personal competence in order to carry out their functions with the utmost objectivity.

INDIA AND PAKISTAN: At a meeting of the Security Council, held January 20, General McNaughton supported a resolution, agreed to over the weekend at private conferences held by the Council President, Fernand Van Langenhove, with the representatives of India and Pakistan, proposing establishment of a United Nations Mediation Commission.

The General's statement follows: The Canadian delegation has followed with deep and sympathetic interest the course of the discussions which you have held with the distinguished representatives of India and Pakistan. We are very happy indeed that your initial discussions have resulted in the proposal which is now before us and which has been agreed to by the representatives of the two parties concerned in this situation. The delegation of Canada wishes not only to give its support to this resolution but also to express the hope that the discussions which have been held to date will prove a good augury in extending further the area of agreement between India and Pakistan.

KOREAN ELECTION LAWS STUDIED: The U.N. Temporary Commission, meeting in Seoul, Korea, January 19, unanimously adopted the following resolution as proposed by the representative of the Philippine Republic:

- (1) That Sub-Committee Three composed of the representatives of the Philippine Republic, Canada, France and Syria, will examine the electoral laws and regulations at present in force in North and South Korea from:
 - (a) The point of view of their compatibility with the recommendations of the General Assembly;
 - (b) Their consistency with democratic practices generally accepted in elections held in territories of members of the United Nations;
 - (c) The particular requirements for Korea as they will appear from consultations which Sub-Committee Two will hold with representatives of Korean public opinion; and report its findings to the Commission.
- (2) That in performance of these functions the Sub-Committee should acquaint itself with the views of the Korean, Soviet and United States officials and experts.

CONVENTION WILL CHOOSE SUCCESSOR: Prime Minister Mackenzie King has announced his intention to retire as leader of the Liberal party.

Addressing the annual dinner of the National Liberal Federation in Ottawa, Jan. 21, the Prime Minister asked the Federation to summon a National Liberal Convention at the earliest date it can be arranged. He hoped it could be held this Summer.

Here are some further points from the Prime Minister's speech:

The present parliament's term expires in 1950, but it is by no means certain that the government would wish to wait that long before calling a general election.

A special committee of the House of Commons will be appointed to investigate causes for increases in the cost of living.

Prosecutions where necessary can be instituted under the Combines Investigation Act. The Commissioner of the Combines Investigation Act has been told that, as part of government policy, it is the wish of the administration that the Act should be vigilantly administered.

The Parliamentary Committee will not be in the nature of a prosecuting tribunal. It will be a fact-finding body.

Communism is no less a tyranny than nazi-ism. It aims at world conquest. It hopes to effect its purpose by force. Its pattern of procedure seeks to create unrest in all quarters of the globe and by devious and underground methods, to penetrate and undermine the established social systems of many lands.

The United Nations will be well advised to concentrate upon the organization of an international force.

Text of the Prime Minister's statement on calling a national Liberal Convention follows:

Let me now speak on another theme, one which, at this moment, arises naturally out of existing world and domestic conditions, and which relates more exclusively to the affairs of our own Party. It seems to me that, in the light of changed and changing conditions, the time has come for the holding of a National Convention. The Liberals of all Canada should be afforded opportunity to review the Party's present position and policies, and to consider the most effective means by which Liberal principles may be applied to a solution of problems that have followed in the wake of war, and which will continue to present themselves in increasing measure, as nations seek to bring into being a new world order.

There have been but two dominion-wide Liberal Conventions since Confederation; the one held in this city in June, 1893, and the one held, also in Ottawa, in August, 1919. It is of interest to observe that from the date of Confederation these Conventions were held at intervals of 26 years, a little more than a

quarter of a century. We of today have exceeded the 26 year record. It is now more than 28 years since the last nation-wide convention of the Party was held. It is also worthy of note that the conventions were called in anticipation of the next ensuing general elections, and that, in each case, they were followed by sweeping victories for the Party at the polls.

ANOTHER STRIKING PARALLEL

There is another striking parallel. The convention of 1919 was called because of problems confronting the country as a result of years of war. These new problems, in the opinion of Sir Wilfrid Laurier, demanded the widest possible consideration by Liberals throughout the country, as well as by their representatives in Parliament. For some time past, I have held, very strongly, a like opinion in reference to the conditions which have arisen as a result of the last great war. The war which ended in 1918 was a war of four years; the recent war lasted over six years. Each of these world conflicts served to change considerably many aspects of our national economy; each brought new political parties to the fore, and each gave rise to questions and problems which, if not wholly new, were on a scale never heretofore experienced.

This of itself would seem to necessitate the calling of a convention at the earliest date at which it can be arranged, having in mind the length of time required to make the necessary arrangements, and to occasion as little as possible in the way of interference with the nation's business in Parliament.

There are, however, two additional reasons which I regard as of first importance. One is the question of Party organization, and the other the question of Party Leadership.

EFFICIENT ORGANIZATION NEEDED

This is perhaps not the time nor the occasion to discuss Party organization at any length. One thing is certain, however; no party, however good its principles, and however sound its policies, can hope in these days to win in a general election without the aid of an efficient organization. This our party does not possess at the present time, nor has it since the last general election begun to have what is required to ensure the party's record and its policies being brought before the people as they should be. It does not possess in the Dominion, in the provinces, or in the constituencies, the kind of careful scrutiny of the party's position which should exist at all times, if full justice is to be done cause and candidates alike.

For such organization of a national character, as the Party has at the present time, we are indebted, in a very special measure, and for the most part, to our Chairman of this evening, Mr. Fogo, to his little band of workers on the Executive Council of the Federation,

and to a few friends who have given them assistance from time to time. For far too long, far too much has rested on the shoulders of far too few. Mr. Fogo, I know, will be the first to tell you that the National Liberal Federation is wholly inadequate to cope with what is expected of it. As the Party's future is dependent in so great measure on its organization, I feel that the actual position should be known to the Party, and its members be given an opportunity, before it is too late, to make the necessary provision for this important branch of its work.

30TH YEAR IN LEADERSHIP

Now a word as to the Party leadership. As you will recall, I was chosen Leader of our Party at the Convention held in this city, in August 1919, and have enjoyed this position ever since. Should I be spared, and continue to command the confidence of my fellow-Liberals, to a corresponding date in the present year, I will then have entered upon my 30th year in the leadership of the Party. For very obvious reasons, I have for some time past been asking myself if the time had not arrived when the Party should be afforded an opportunity of choosing a new leader.

As you well know, I have not concealed my desire to be allowed to retire from active politics, just as soon as the Party's interests and the country's would seem to justify that step.

You will recall that, after the first Great War, Sir Robert Borden, who had been Prime Minister throughout the years of war, and Sir Wilfrid Laurier who had led the Opposition in those years, both felt that they should ask their followers to relieve them of continuing to carry the responsibilities and duties of leadership of their respective Parties. Though not stated at the time, this was one of the objects which Sir Wilfrid had in view when, in 1918, he issued the call for a convention in the following year. On more than one occasion, he so stated this intention to myself and others. Unhappily, Sir Wilfrid's life came to its close before the Convention, over which he had hoped to preside, assembled.

Sir Robert Borden, whose years in office and in the leadership of his Party, had been much fewer than those of Sir Wilfrid, felt it necessary to resign both as leader of his Party, and as Prime Minister, within less than two years of the Armistice which terminated hostilities.

The second World War lasted two years longer, and was on a scale much vaster, than the first World War. Had the war against Germany and the war against Japan been brought to a close before the date for the general elections of 1945 had been fixed, and had time permitted the choice of a new leader for that campaign, I would not have hesitated to have told the Party at that time, that, my years of life and of office being what they then were, I felt my task had been completed, and that in the interests of all concerned the responsibilities

of Party leadership should be entrusted to another. Well, it is now over two and a half years since the last general elections. Should I be spared to lead the Party for another six months, three years will have elapsed since the end of the second World War.

Knowing something of what the six years of war, and the years of uncertainty immediately preceding, had involved of stress and strain, and knowing as well the demands political campaigns make on one's energies and strength, I stated at the commencement of the last general election, and repeated at different times in the course of the campaign, that, come what may, the general election of 1945 would be the last general election in which I would lead the Party.

SOUGHT TO BE FRANK

I have, as you know, for the same reason, made similar statements from time to time, both to our own Party organizations, and in public. I should not like now to be accused of never having meant what I said; to have said what I said for what might be termed party political reasons. These are not the kind of tactics, I had ever resorted to in the course of my public life; nor are they the means by which I have come to enjoy the trust which the Party still holds in me as its Leader. I have sought to be perfectly frank in what I have had to say to the party and to the public. I have also tried, at all times, to look ahead.

The one thing which I would dislike more than anything else, after the years I have had of Party leadership and of office, is that I could ever be accused of having held on to the position of leadership to what might be termed "the last moment", and then, whatever the circumstances might be, to have it said that I had "let the Party down", so to speak, because of not having let the Party know, sufficiently in advance, of any fears I might have entertained of finding myself unequal to the tasks of leadership in a nationwide political campaign.

I need scarcely say that my decision to ask for the calling of a convention for the purposes I have mentioned is not a recent decision, suddenly reached in the light of any new situation which has arisen either in Canada or in any part of the world. Much less is it a decision based on any change of attitude toward myself on the part of my colleagues in the government, the Liberal members of the two Houses of Parliament, or the Party throughout the country. It is true, I believe, that while I have very great reason to congratulate myself upon having had the unbroken support and confidence of all these constituent elements of the Party, ever since I was chosen leader in 1919, I have never enjoyed that confidence in fuller measure than I do today. This is a reward of years of public service which nothing else can equal.

I must confess that, over the two and a half years since the last general elections, I have continued to enjoy powers of endurance

which, at many times in the past, I had not felt I had a right to expect. That I enjoy the measure of health I have at the moment is, I recognize, due in no small measure to the consideration shown my years by my colleagues in the Cabinet, and by my fellow Members in Parliament, and I think, I should add, by the Canadian public. This, however, is a consideration which, in the Party's interests, and in the public interest, I have no right to expect to have shown indefinitely. At the end of the last session of Parliament I saw only too clearly that I should not continue to delay in the calling of a convention, and so informed my colleagues in the Cabinet.

The life of a Parliament is five years. Assuming that a general election were not to take place before the expiration of the life of the present Parliament, that would leave to a newly appointed leader but two years before he would have to undertake a nation-wide campaign. In some respects, that is a short enough time. It is, however, by no means certain that the government would wish to wait until the expiration of the life of the Parliament before seeking a renewed expression of the people's confidence. It has seemed to me, therefore, that the selection of a new leader of our Party should not be further delayed.

I should like to see the new leader of our Party chosen, as I, myself, was chosen at a National Convention by representative members of the Party throughout the country, as well as by its representatives in Parliament.

The planning and arrangements of a National Convention are not something easily brought about. In a country the size of ours, it requires a certain amount of time. Knowing this, and feeling that the date of the Convention should be definitely fixed before we entered upon another session of Parliament, I wrote a letter to each of my colleagues, in July last, informing them that I was anxious to have matters of importance to the Party considered at special meetings of the members of the Cabinet to be held early in September. When the September meetings were held, I again informed my colleagues of my intention not to lead the Party in another general election, and said that I thought a National Convention should be arranged for forthwith. It was then decided to ask the Advisory Council of the Federation, at its next meeting, to assume this undertaking.

I hope I may not be placing too heavy a burden upon the shoulders of our very willing President, Mr. Fogo, and the members of his able executive, if I now venture to ask them to assume responsibility for the calling of a Convention, and for making the necessary arrangements for its proceedings. They will have, in this task, the assistance of members of the government, and of the Party in both Houses of Parliament, and also, I am sure, of provincial and local party organizations and leaders in the several provinces. Fortunately, as a guide, they will have, as well, the carefully prepared and preserved record of the proceedings of the two previous nation-wide

Liberal Conventions - that of the Dominion Liberal Convention held in Ottawa in June 1893, and which preceded the return of the Liberal Party to power in the memorable victory of 1896, and that of the National Liberal Convention of 1919, also held in this city, and which preceded the return to power of the Liberal Administration in the victory, no less memorable, of 1921.

SUMMER CONVENTION HOPED

I hope, Mr. Fogo, that before its meetings are over, you will be able to give the assurance that the Advisory Council of the National Liberal Federation is prepared to assume this most important task, and that we may all look forward to the third nation-wide Convention of the Liberal Party in Canada being held in the summer of the present year.

I need not tell you, Ladies and Gentlemen, that it is with mixed feelings, indeed, that I make the request of the National Federation which I am making tonight. It is now nearly 40 years since I first became a member of the Parliament of Canada, and 39 years since I first sat in the Council Chamber as a Minister of the Crown. For an even longer time, my life has been given over mostly to public affairs. It has been all but exclusively devoted to the party and to Parliament ever since I became the Party's leader.

I do not look lightly upon the possible severance of relationships which have made up so large a part of my life. I wish I could feel it were in the interests of the Party not to contemplate that severance, but just to hold on, taking chances on what the future might bring to pass. That, however, would, I know, in the end, be a mistake. Were I twenty years younger - were I ten years younger - I should greatly prize the opportunity to continue in a position of leadership in times like the present, where issues as vital as any the world has faced are being discussed and decided. I cannot forget, however, that man's allotted time is three score years and ten, and that I am now in my 74th year. It seems to me, therefore, imperative that the Party should have at least the opportunity to consider what in its own interests may be for the best; and that, as its leader, I should not be responsible for longer withholding that opportunity.

I am far from believing that such service as I may be able to render in promoting Liberal principles and policies, and of service to our country in other ways, would not be all the greater were I afforded more in the way of time for reflection than is possible as the leader of a political party. There are, too, a few things I should still like to do, and to enjoy, before my day of life is over, if, in God's Providence, I should still be permitted the necessary health and strength. May I mention only one of these:

Speaking at a dinner given by Members of Parliament, a year or two ago, I chanced to remark it was a great pity that neither Sir John A. Macdonald, nor Sir Wilfrid Laurier had

found it possible to leave a personal account of some of their life's experiences. That it was equally unfortunate that we did not possess from the pen of each, some account of national developments, and great events, as they, themselves, had known them in the making.

ENQUIRIES FROM PUBLISHERS

From time to time, since I made that observation, I have read in the press that I had already entered upon the task of writing my memoirs. Indeed, I have received from more than one publishing house, enquiries as to whether their representatives might not discuss with me terms upon which the memoirs might be published. I do not deny that there are a few things which I should like to say, or to leave in written form, which I would hope might encourage younger men to take some part in public life, and which I would also hope might be helpful to them in the service of their country. I should like, too, to leave some account, were that possible, of some of the great events of our times, as I have watched them develop, and have glimpsed them from behind the scenes. Such a record might be of interest and value to a succeeding generation if not to our own. I must tell you, however, that this is not a task which can be performed in a day, nor yet in a year, nor is it a task that could be entered upon so long as one's responsibilities continue to be what mine have been in the past, and what they are at present. I regret to have to say that up to this moment, I have not found it possible to write a single line.

There are a few other matters, too long neglected, which perhaps I may be pardoned for also wishing to overtake. I believed, while the war was on, that the chance for all this would come when the war was over. I now see if it is to come at all, it must come very soon. I have never sought either ease or idleness. I have found my greatest happiness in work. That happiness, if spared, I expect to continue to find along this well tried path. I know, however, that, in the even-tide of life, the shadows speedily lengthen, and that "the night cometh wherein no man can work".

Of one thing, you may be sure. If I cease to lead the Party, I shall never cease to have the Party's interests and its future near to my heart. Nor is it likely, be the sacrifice what it may, that I shall knowingly shirk any responsibility which the needs of our time may seem to demand, and which I feel I am able to meet.

At most, we can make but plans. Our futures will be determined by events, and by a Power beyond our own. In asking that a Convention be held this year to review the Party's policies, and to decide upon the Party leadership, I am planning what I believe to be best for the Party's future. What may be best for all, when the Convention meets, we may leave with confidence to the sound judgment of the Convention itself. Our present duty is to see that the calling of a Convention is not longer delayed.

MENACE OF COMMUNISM: Referring to the international situation, the Prime Minister said:

Any true appreciation of Canada's domestic problems must begin with an understanding of the world situation. This has not always been the case. It was not true of Canada before Confederation. It was not true of Canada in Sir John A. Macdonald's day. It was not true in Sir Wilfrid Laurier's day. It began to be true in the years Sir Robert Borden was in office. The first world war made us aware that Canada's freedom was bound up with the freedom of other nations - if not of all, at least with the freedom of those countries which shared a belief in freedom and free institutions similar to that held by ourselves.

In the years following the first Great War, we and many other nations solaced ourselves with the belief that the world had witnessed the last of its great conflicts. We thought that war, on such a scale, could never afflict the nations again. We reposed comfortably under the soothing shades of a League of Nations, which was holding meetings and many conferences in the heart of Europe, at Geneva. To this body, we were prepared to relegate consideration of problems that might give rise to war. We went on our way thinking mainly, and all but exclusively, of our own domestic affairs. It was only in the thirties we began to experience a growing concern and anxiety at what was taking place in Europe. Then, in 1939, came the attempt at European domination by Germany, and in 1941 a similar attempt at domination of the Orient by Japan. For a time the skies of the entire world were overcast by the sinister menace of world domination, by tyrannies which based their power upon material force. At the end of six years of war, that menace was seemingly crushed. It was certainly subdued. But it was not obliterated. The menace of world domination ceased for the time being, at least, to appear in the open. But it began to work its way underground, and from quarters that were at times unexpected.

SIGNS OF NEW TYRANNY

Today the signs of the new tyranny that seeks world domination are unmistakable. Communism is no less a tyranny than Nazi-ism. It aims at world conquest. It hopes to effect its purpose by force. Its patterns of procedure are similar, but they go further. They seek to create unrest in all quarters of the globe, and, by devious underground and underhand methods, to penetrate and undermine the established social systems of many lands. So far as may be possible in freedom-loving nations, Communism seeks to unsettle and undermine, where it does not openly defy, the authority of government itself.

The world is in an appallingly dangerous condition today. After our second experience with war on a world scale, let us beware of again mistaking appearances for realities. Let us not speak of having entered upon an era of peace, where all about us are evidences of strife. Let us not allow another wolf-like

menace to masquerade in sheep's clothing, seeking, all the while, whom it may devour.

The task of Liberalism at all times has been the extension and preservation of freedom. That was its supreme task in the years of the two world wars. For years to come, its supreme task will I believe continue to be the preservation of freedom against this new and terrible menace. This preservation Liberalism must strive to effect by continuing to guard the freedom of the individual, and the freedom of our own and other lands.

MILITARY STRENGTH VITAL

To improve the lot and to help preserve the freedom of men and women of our own and other lands, let men and women of liberal mind and heart seek, by all means, to promote the great principles set forth in the Charter of the United Nations. But let them not believe that the words of any charter, however strong their appeal, nor how oft repeated, can effect anything of themselves, or that they will effect anything in the end unless, where force threatens, it can be kept at bay by superior force. So long as Communism remains as a menace to the free world, it is vital to the defence of freedom to maintain a preponderance of military strength on the side of freedom, and to secure that degree of unity among the nations which will ensure that they cannot be defeated and destroyed one by one. The United Nations, in my opinion, will be well advised to concentrate upon the organization of the international force by which, in the words of Lord Tennyson, it was to "hold a fretful realm in awe". In some other particulars it would, I believe, be wise to limit, for the time being at least, some of its multifarious activities. Force has not, in itself the power to create better conditions. But a measure of security is a first essential. If properly organized, the force required to provide security would have the power to save from destruction those who have at heart the aim of creating better conditions.

Nor let any of us think that the support of any organization, however high its aims, can relieve any individual, or any party, or any nation, of a responsibility which is its own. We all know, or ought, by now, to know that for centuries in many countries, multitudes of men and women and little children have been deprived of any real opportunity to develop their individual personalities, and to share, through an equitable distribution of the world's wealth, in the bounty which Providence has bestowed on mankind. Communism deliberately exploits this situation to which it professes to have found the remedy. That constitutes the attraction of Communism for the under-privileged, and for many of those who sympathize with and wish to improve the lot of their fellow-men. Let us not underestimate that fact.

But Communism, as its present day promoters practise its precepts, is based on force on the class war. It fosters ill-will; it foments strife. No enduring order can be based on Force. Consent, not force, is the only sure

basis of an enduring social order. Ill-will has never effected anything enduring, neither has strife. It is to the opposite of these, we must look for an increase in human happiness.

It is equally essential to Victory in the struggle with Communism that the cause of Freedom should not become merely a negative cause; that the defence of Freedom should not be left to reactionaries, but that the free nations should find not only a better, but a more attractive social gospel than Communism provides. If we are to win against Communism in its struggle for the minds and souls of men, if we are to help save the world from a tyranny as ghastly as any which has hitherto menaced mankind, it will only be by recognizing, wherever we may go, wherever we may be, that we remain our brother's keepers, and that, at home and abroad, we have an obligation to lend our individual and national efforts to furthering to the extent of our abilities, more in the way of equality of opportunity and of social justice. As opportunities of self development are enlarged, as inequalities and obvious injustices are removed, as good-will supplants ill-will in human attitudes and relationships, as fear gives place to faith, an all-consuming Communism will cease to be able either to attract or to deceive. If we are to be true to our Liberal faith, we must put forth every effort to further equality of opportunity, and to effect, in all possible ways, a larger measure of social justice.

However short Liberalism may have fallen in achieving these high purposes, Liberalism may at least claim that such has been its purpose in the past, that its supporters have accomplished more in these directions than have those of any other political persuasion, and that such is its foremost aim today. If Liberalism is true to itself, such, throughout the future, as never before, will be its supreme endeavour.

OPPOSITION LEADERS' COMMENTS

MR. BRACKEN: In an Ottawa statement commenting on the Prime Minister's announcement of a parliamentary committee to investigate rise in the cost of living, John Bracken, Progressive-Conservative leader, said:

There can be no objection to a parliamentary inquiry provided it is not used as a means of avoiding parliamentary discussion. But let there be no mistake--there is no substitute for immediate action.

By blundering in its decontrol policy, by blundering in its fiscal policy, the present administration is directly responsible for the chaotic upsurge in the cost of living. The Prime Minister now seeks to evade his responsibility by hiding behind the skirts of a committee which he obviously intends shall be impotent and ineffective.

The people of Canada are sick and tired of talk about high prices. They do not need a committee to tell them that the prices of things they have to buy in order to live have

risen far beyond the reach of many pocketbooks. If Mr. King does not realize this, let him stop giving advice to the United Nations long enough to hear what Canadians are saying.

The Prime Minister's policy is one of deliberate and needless delay. Action, not talk, is the need of the moment. Here are some things that should be done at once and which the government possesses full power to do:

1. Suspend the 8 per cent sales tax on essential commodities;
2. Reduce some of the other multifarious taxes which affect foodstuffs;
3. Strengthen and expand the staff of the combines investigation commissioner and send them into immediate action not only to expose but to prosecute those persons who are taking advantage of conditions to hold up the Canadian consumers;
4. Give immediately, to those who produce the nation's goods and services incentive to increase their production.

The Prime Minister should start doing these things today. With an alleged surplus on hundreds of millions, the government still imposes an 8 per cent sales tax, as well as other taxes on essential commodities. Take those taxes off. Prosecute illegal profiteers immediately. The machinery has been available for years. With these two things done, the situation will be greatly eased.

But the chief cause of high prices is shortages. The most urgent need is to expand production which at the moment is hampered by an inefficient and blundering bureaucracy and hamstrung by a policy of oppressive taxation.

The Prime Minister is mistaken if he thinks he is hoodwinking the people by his pronouncement last night. The action he proposed will do nothing to stem the high cost of living. The government must accept responsibility and not try to shelve it.

MR. COLDWELL: In an interview, M. J. Coldwell, C.C.F. leader, welcomed the Prime Minister's proposal for the establishment of a special Commons committee.

The idea of inquiring into price spreads is a very good thing, he said.

At the same time, he expressed hope establishment of the committee would not delay really effective action by the government to stem rising living costs and halt inflation. The country needed effective price controls and renewal of subsidies.

Of Mr. King's call to the National Liberal Federation for a national convention to decide the party leadership, Mr. Coldwell observed:

That, of course, is a matter for the Liberal Party, but, under the circumstances, as Mr. King himself outlined them, I think it is the proper course for him to have pursued.

He said Mr. King's straight talk about the menace of communism probably will contribute to the bringing about of a clearer understanding by people the world over as to the seriousness of the present situation.

(Continued from page 1)

per cent being directed to those countries. Exports to the United States were 37 per cent of the total; to Great Britain 27 per cent; to other British Empire and Commonwealth countries, 15 per cent; and to all other countries 21 per cent.

Purchases by the United States were valued at \$1,034 millions, which is approximately 16 per cent higher than in 1946. Over one-half of forest products, with newsprint the largest single item. Exports to the United Kingdom were valued at \$751 millions, which is 27 per cent higher than the corresponding figure for 1946. As in preceding years, food products again dominated the shipments from Canada to Great Britain.

With regard to Empire countries, the greatest increase was shown in exports to Australia and New Zealand, which rose from \$54 millions in 1946 to \$98 millions in 1947. A decline, however, was evidenced in shipments to the Union of South Africa and India. Exports to the British West Indies were one-third higher than in 1946.

RUSSIAN MILITARY ATTACHES

NOT INVITED TO CAMP SHILO: The Department of National Defence issued the following statement today:

The Canadian Government has previously expressed its willingness to extend to the representatives of other countries reasonable opportunities for obtaining military information. Visits are arranged to military establishments in Canada for the military representatives of other countries. This is a courtesy extended by nations on a reciprocal basis in accordance with the established practice.

In this way, last year the military attaches of a number of countries were invited to go to the joint testing station at Churchill. The representatives of seven countries accepted this invitation.

On other occasions, additional visits were made to various military establishments.

It has been found, however, that the Canadian Military Attache in Moscow is not given similar privileges. In accordance with the principle of reciprocal treatment, it has now been decided that the Soviet Attache will not be invited to visit military establishments in Canada unless similar privileges are extended to the Canadian Military Attache in Moscow. When the Soviet authorities grant facilities to the Canadian Military Attache in Moscow similar to those hitherto granted to the Soviet representative in Canada and still extended to all other foreign military attaches in Ottawa, the Military authorities will be pleased to restore the privileges granted to the Soviet Attache.