



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

Vol. 3 No. 33

June 25, 1948.

INDEX TO INSIDE PAGES

ICAO At Geneva.....	2	Commander Edwards Appointment.....	7
Canadians Honored.....	2	Muskrat Project.....	7
Rehabilitation of Prisoners.....	2-3	Commercial Failures.....	7
The British Columbia Floods.....	3	Reporting Parliament Briefly.....	8
Royal Canadian Navy Commissions.....	3	Gold Production.....	9
Education In Far North.....	3	Silver Production.....	9
Canada And European Recovery Program.....	4-5	Airborne Magnetometer.....	9
1947 Tourist Trade.....	6	New Goldeye Supply.....	9
Naval Appointments.....	6-7	Canada At The United Nations.....	10
WAC Sales \$434,100,000.....	7	Defence Statement.....	10

WEEK'S EVENTS IN REVIEW

CROP REPORT: Dry, cool weather has prevailed over the greater part of the Prairie Provinces during the past week. Topsoil moisture reserves have been diminishing over parts of Manitoba, most of Saskatchewan and much of Central and North Alberta. Fairly general rains in Manitoba and showers in Alberta on June 21 have provided a considerable measure of relief, but most correspondents state that further rains are required. Recent rains have also improved conditions in south-eastern Alberta. In Saskatchewan, and wide areas of central and northern Alberta, rains are urgently required to prevent serious crop deterioration. All three provinces report poor germination in late-seeded crops. Since weather conditions this spring were unfavourable to early seeding over much of the west a large acreage of crops was seeded very late. Unless conditions more favourable to germination and growth of these crops develop in the very near future ultimate yields in the affected areas are almost certain to be curtailed. Insect infestations have not been too severe to date in Alberta and Manitoba but severe grasshopper damage is being experienced over many parts of central, south-western and western Saskatchewan. Extensive control measures in these areas are expected to reduce the loss considerably.

In Manitoba, fairly general rain and showers on June 21 provided much-needed relief to many areas where late-seeded crops particularly had been showing poor germination and growth.

Crops in the southern portion of the province have been making quite rapid progress with conditions in northern areas only a little less advanced. Except in local areas of the province surface moisture is now generally in fair supply with subsoil moisture reserves reported good to fair. Insect infestations have not been severe to date.

Lack of rain has brought growth to a standstill over much of southern and eastern Saskatchewan, while deterioration is reported during the past week in western, central and north-western areas of that province. Germination of late-sown grains has been seriously hampered by dry topsoil conditions and rain is now urgently required particularly over the western half of the province. Damage from grasshoppers is most severe in the Rosetown-Dodsland area but is also serious in many other parts in central, south-western and western Saskatchewan. Extensive control measures are being undertaken in the affected areas.

Crop conditions in Alberta are generally fair to good although rain is needed immediately in most central and northern districts as well as in the Peace River area. Showers on June 21 have provided some relief. As in Manitoba and Saskatchewan, germination of late-sown crops has been uneven. Pasture and hay crop prospects, with local exceptions, are considered fair to good and live stock conditions are generally satisfactory. Insect infestation in Alberta has not been particularly serious to date.

ICAO AT GENEVA: A simplification of the procedures which private aircraft must follow when travelling across national borders was recommended June 15 by the Economic Commission of the International Civil Aviation Organization's Second Assembly now under way at the Palais des Nations in Geneva.

In a resolution which must still go before the Plenary Session of the ICAO Assembly for approval, the Commission calls upon each of the 48 member nations of ICAO to implement the Convention of the Organization by extending the immediate freedom of admission into its territories to all aircraft registered in other member states when these aircraft are operated for private pleasure purposes or flights on the part of the individual or company which owns the aircraft, providing no remuneration is received for carriage freight and passengers.

The economic problems of air navigation facilities were discussed June 19 by the Second Assembly of the International Civil Aviation Organization.

Two delegations to the Assembly, namely the delegates of Ireland and New Zealand, proposed that the Council of ICAO take steps to lay the foundations for a fair economic and uniform system by which airlines and other users of airports and air navigation facilities, built and maintained by various member nations of ICAO, will pay a portion of the costs of these services.

ICAO has been studying this problem for some time and the representatives of New Zealand and Ireland have now requested the Assembly to ensure that this study will embrace the whole field of the economics of airports and air navigation facilities for international air transport, including telecommunications, radio and other aids to navigation, for example, air traffic control and meteorological services.

NATIONALIZATION LAW: The Department of External Affairs has been informed that a nationalization law has been enacted by the Hungarian Government applying to all enterprises employing 100 or more persons and to a large number of selected enterprises irrespective of the number of persons employed.

According to information received by the Department shares owned by foreign nationals in nationalized industries, must be registered by June 30, 1948, with the nearest Hungarian Government representative. Hungarian-owned shares in these enterprises are to be surrendered, if held in Hungary, to the Central Institute of Banking Companies or, if held abroad, to the nearest Hungarian Government representative by June 30, 1948. For the purpose of this law, only persons who were never Hungarian nationals or who ceased to be Hungarian nationals before August 8, 1931, shall be considered foreign nationals.

Canadian citizens and Hungarian nationals who hold shares in any industry in Hungary, should, without delay, communicate with the Swedish Consul General in Charge of Hungarian Affairs in Canada, 1462 Bishop Street, Montreal, Quebec, in order to comply with this law and avoid prejudice.

CANADIANS HONORED: Air Force Headquarters, Ottawa, announced that His Majesty the King of Norway had conferred the award of King Haakon VII's Cross of Liberation on 6 former members of the RCAF, and the Medal of Liberation on 2 former Air Force officers in recognition of distinguished services rendered in the cause of the Allies.

Two of the officers, A/C/M Breadner and A/M Leckie, are former Chiefs of the Air Staff.

Those receiving the awards are:

Air Chief Marshal L. S. Breadner, CB, DSC, Kirk's Ferry, P.Q.

Air Marshal G. O. Johnson, CB, MC, 118 Acacia Avenue, Rockcliffe Park, Ottawa, Ont.

Air Marshal Robert Leckie, CB, DSO, DSC, DFC, 303 Acacia Ave., Rockcliffe Park, Ottawa, Ont.

Air Vice Marshal G. E. Brockes, CB, OBE, 128 Highbourne Road, Toronto, Ont.

Air Vice Marshal F. S. McGill, CB, 2200 St. Catherine St. E., Montreal, P.Q.

Air Vice Marshal K. G. Nairn, CB, 1611 Drummond Drive, Vancouver, B.C.

Two officers receiving King Haakon VII's Medal of Liberation in recognition of services rendered as liaison officers with the Royal Norwegian Air Force in Toronto are:

F/L S. G. K. MacDonald, 9817-107th St., Edmonton, and Canadian Legation, Oslo, Norway.

F/L A. L. Wainwright, Lome Park, Ont.

REHABILITATION OF PRISONERS: Plans for the National Employment Service to play a greater part in the rehabilitation, through suitable employment, of persons released from penal institutions throughout Canada were given full consideration by the National Employment Committee at a two-day meeting of the Committee which concluded in Ottawa June 18.

The Committee is an advisory committee to the Unemployment Insurance Commission and the National Employment Service on all matters relating to employment throughout Canada.

George Herwig, General Secretary, Canadian Legion, was chairman for the meeting, in the absence, through illness, of Judge W. J. Lindal of Winnipeg. E. N. Mitchell, Unemployment Insurance Commission, acted as secretary.

Following intensive study of a comprehensive plan for the rehabilitation of ex-prisoners through employment submitted by E. L. Merrill, Supervisor of Special Placement, National Employment Service, in the Ontario Region, the Committee recommended that special placement

officers be assigned in Ontario to carry out this plan on an experimental basis.

In effect, the plan suggested was designed purely for the purpose of better assisting persons discharged from penal institutions in obtaining and holding suitable employment. The Committee considered that suitable employment was essential to the rehabilitation of men and women who had a prison record.

THE BRITISH COLUMBIA FLOODS: Disaster recently struck B.C. when thousands were suddenly rendered homeless in the rich Fraser Valley by rampaging rivers that turned the area overnight into thousands of islands. The deadly twin of natural disaster of this kind is pestilence and epidemic - spread by polluted water and crowded emergency living conditions. This twin never reared its ugly head, reads a National Defence Department press release.

No disease has developed. Of the thousands of people involved, only one small group suffered enteric trouble which was cleared up within 24 hours. How was this record accomplished? What steps are taken to protect a population in dangerous circumstances? B.C. has been a test case. The methods used here will be studied and followed in other parts of Canada if a major disaster strikes.

The first and most important lesson learned was coordination and single direction of all health services - provincial, municipal, armed forces and others. Dr. George Elliot, Provincial Health Department; Dr. Stewart Murray, Vancouver health officer, and Lt.-Col. J.S. McCannel, Canadian Army medical officer, sat on the flood control committee. On their sub-committee were included the Army's Western Command hygiene officer, the Provincial public health engineer and the Provincial director of public health nursing.

WORKED IN TEAMS

Troops and civilians were treated alike. There was no overlapping or duplication. The health officers of the valley towns and the Army medical men worked in teams. Their work was not dramatic because they kept on top of the situation at all times so that no dramatic epidemics could develop.

Preventive medicine at its best was practised. Safe water, safe food and safe disposal of sewage were the first objectives. The Army's water testing kits were used everywhere. All Vancouver's water sterilizing powder and insecticide was put to use. Two Reserve Force field ambulances, the 12th from Vancouver and the 13th from Victoria, were called out. Over 60 Army medical men including 15 medical officers have been working with civilian medical personnel. St. John's Ambulance men and women served unselfishly and untiringly wherever the medical committee could use them best.

After hygiene and sanitation came immunization. For fear of sore arms, needed to carry sandbags, the troops were inoculated only

after they came out of action. They will take no disease home with them. By June 12, over 15,000 civilians had already been inoculated against typhoid and paratyphoid. Here, Army medical stores in Vancouver were called on for supplies that did not exist in sufficient quantity elsewhere in B.C.

The next step was insect control to make life bearable for flood fighters and livestock alike, who were attacked by vast hordes of flood-bred mosquitoes. The anti-aircraft gunners working on the dykes claimed the size of the mosquitoes would make excellent targets had they brought their bofors guns with them.

The R.C.A.F. surveyed the area carefully so that the crops would not be harmed by DDT. Then a civilian plane and a helicopter went to work with spray equipment. Army mechanics adapted a paint sprayer on a towed trailer so that it could be used to powerspray insecticide all through the valley.

The last step is now going into effect. This is medical control of families returning to their homes - homes sometimes shifted hundreds of yards by the swirling water. Every home is inspected to ensure that safe water is available and conditions are liveable.

Then the brave task of bringing back to life the drowned farms commences.

ROYAL CANADIAN NAVY COMMISSIONS: Commissions in the Royal Canadian Navy will be granted to selected university graduates with degrees in electrical engineering, engineering physics, radio engineering or radio physics, it was announced by Naval Service Headquarters on June 22.

Successful applicants will be entered as Acting Sub-Lieutenants either in the Electrical Branch or the Executive Branch as Communication officers.

The Electrical Branch of the R.C.N. is the recognized technical authority on all electrical and electronic equipment fitted on H.M.C. ships and establishments.

EDUCATION IN FAR NORTH: In a recent report to the Sub-committee on Education of the Northwest Territories Council, Inspector of Schools J.W. McKinnon, revealed that notable progress had been made in the development of interest in child and adult education among both native and white residents of the far north.

The report was transmitted to the Northwest Territories Council at its regular meeting June 17 by the Commissioner, H.L. Keenleyside.

Mr. McKinnon, who recently returned from an inspection tour of Mackenzie District, reported that at every settlement visited from Fort Smith to Aklavik there is tangible evidence of the keen interest being taken in all measures directed towards improvement in both the range and effectiveness of the educational programme in the Territories.

CANADA AND EUROPEAN RECOVERY PROGRAM

12-MONTH AVAILABILITIES \$1,600,000,000:
Estimates of the wide variety of products that can be made available by Canada to countries participating in the European Recovery Program have been announced by the Right Hon. C.D. Howe, Minister of Trade and Commerce. He emphasized the fact that the estimated quantities depend on many factors. For instance, the weather may effect agricultural production, the availability of steel will affect the production of manufactures, and the extent to which manufacturers may have made prior commitments.

The Minister also explained that the statement was not exhaustive, nor a forecast of Canada's exports to ERP countries. The important recovery items have been included in accordance with the specific request of the Economic Co-operation Administration, in Washington, but information regarding a number of other commodities is being constantly made available to participating countries through Canadian Trade Commissioners and to ECA officials in Washington through the Canadian Embassy.

ALREADY COMMITTED. \$250,000,000

Canada's availabilities for the twelve months ended June 30, 1949, are valued at just over \$1,600,000,000. Of this total, goods valued at over \$250,000,000 have already been committed, either by Government contracts or private trade arrangements, to specific countries. Program figures listed in the summary are of a minimal nature, however, as it is reasonable to believe that other commitments have been undertaken by Canadian exporters, which would not be known to the Government. Estimates have been prepared on contract prices or those current in May, 1948.

Certain aspects of the European Recovery Program were outlined by the Minister in announcing availabilities.

It is just over a year ago that the United States offered to assist the countries of Europe, if they, in turn, would pledge themselves to a program of mutual assistance. Sixteen Western European countries immediately accepted this offer and met in Paris to form a Committee on European Economic Co-operation. Hurriedly, they reviewed their combined resources and requirements and placed the results of their studies in the hands of the United States Government. These requirements were carefully reviewed by competent authorities in the United States, and on April 3 of this year, the United States Congress passed the Foreign Assistance Act of 1948. In order to administer this foreign aid, the U.S. Government established the Economic Co-operation Administration, generally known as ECA. In the meantime, the Committee of European countries which had met in Paris had created a body known as the Organization for European Economic Co-operation.

The President of the United States has appointed Mr. Hoffman to administer the Foreign Assistance Act. The Administrator's terms of reference indicate, very specifically, what his power shall be. For example, he may obtain from any source any commodity required; he may process, store, transport and repair any commodity. He must, however, ensure, as far as possible, that at least 50 per cent of the gross tonnage of commodities procured in the United States shall be transmitted in United States flag vessels and he must use private trade channels wherever possible.

WORKINGS OF ECA

It is well to remember when studying the workings of ECA that it bears very little similarity to UNRRA. The latter was an international administration to which we all contributed and from which we were all justified in seeking a certain amount of the orders. UNRRA placed emphasis on relief, whereas, ERP places emphasis on those commodities that will help bring permanent recovery to Europe. One of the fundamental principles of ERP is that the participating European countries must so integrate their economy as to help themselves to the greatest extent possible before employing ECA dollars for purchases in the Western Hemisphere.

In order to implement the provisions of ECA, each of the participating countries has been invited to draw up a list of their requirements on a three-month basis and also an over-all list of requirements for the United States fiscal year July 1, 1948-June 30, 1949. In these lists, countries are asked to show their total import requirements, the source from which they prefer to secure these commodities and whether or not they wish to have them paid for with ECA dollars or with their own earnings.

These national programs are screened in Paris by the countries themselves, which meet in Committee, and at that stage an effort is made to ensure that, not only are the total requests kept within the limits of the monies appropriated by ECA, but also to ensure that in no case are countries seeking imports from the Western Hemisphere, if the commodities are available in any of the participating countries. The consolidated import requirements of the participating countries are then forwarded to Washington and reviewed by the ECA officials before approval is granted in whole or in part. These import programs are in general terms and the requirements are listed under fifty-three headings.

The United States Government has also invited other Western Hemisphere countries to participate in this great scheme to assist in the recovery of Europe and the Canadian Government has taken constructive steps actively to develop this co-operation. The Canadian Gov-

CANADA AND EUROPEAN RECOVERY PROGRAM

ernment has prepared, at the invitation of ECA, officials, three different submissions, indicating, under the 53 general headings already mentioned, those Canadian commodities which can be made available to ERP countries. The first submission covered the period April-July, 1948, the second for the period July-October, 1948, and we have also prepared an annual submission covering the period July 1, 1948, to June 30, 1949.

Canada's estimates have not only been made available to ECA officials in Washington, but have also been sent to Canadian Government Trade Commissioners in each of the participating countries. The Trade Commissioners make this information available to the pertinent authorities in each of the participating countries who are responsible for drawing up their country's import requirements and they invite these officials to indicate Canada as a preferred source of supply for those commodities, which it is known Canada can deliver advantageously and in competition with other countries. However, it must be realized that no one in Canada knows more about the availability of Canadian commodities than do Canadian exporters themselves. The Department of Trade and Commerce has, therefore, repeatedly advised Canadian exporters not to depend entirely on Government assistance but, rather, to follow normal commercial procedures and sell their produce to European countries through their European representatives.

RECOVERY ITEMS

If the commodities are such that they can be considered as recovery items, there is every likelihood that such transactions will eventually be financed by ECA dollars. It follows therefore, that unless the Canadian exporter is attempting to sell that type of product which is recognized as a recovery item, it is not likely that he will obtain any direct ERP business. There will, however, be other indirect ways in which he will benefit.

It is Mr. Hoffman's intention to restrict his Economic Co-operation Administration to administrative duties and it will not make any

purchases, although some procurement may be affected through other United States Government agencies, such as the Bureau of Federal Supply, the Department of the Army or the Department of Agriculture. On the whole, it remains the prerogative of the importing country in Europe to decide whether or not it wishes to import through private trade channels or through government-to-government contracts. The European countries will be influenced by that provision of the Act, whereby it is laid down that the Administrator will encourage the use of private trade channels whenever such practice is feasible. For that reason, Canadian exporters have been warned that the first step in securing ERP orders is to have their products placed in the individual import requirements of the European countries and that this can only be done in Europe. Canada has, however, advised each of the European countries that, should they desire to purchase through Government contracts, the facilities of the Canadian Commercial Corporation will be placed at their disposal.

CHAIN REACTION

It is impossible to determine what proportion of Canada's exports will be financed by ECA dollars and what proportion will be purchased through the earnings or from the reserves of the individual countries. It should be noted, however, that the wording of the Foreign Assistance Act of 1948 is such that it places no limitations on off-shore purchases with the exception of agricultural commodities, which are in surplus supply in the United States. The extent, therefore, to which Canada participates in the European Recovery Program will be determined by the amount of recovery-type commodities which Canada can successfully offer to Europe in competition with other Western Hemisphere countries. On the other hand, Canada will also benefit by ECA dollars used to finance exports from other Western Hemisphere countries. In other words, the funds provided under ERP are likely to have a chain reaction.

DAIRY SITUATION: Production of milk in Canada in April amounted to 1,266,692,000 pounds, a decline of almost eight per cent from April last year, according to figures released by the Dominion Bureau of Statistics. All provinces shared in the decline. Farm output in April this year was the lowest for the month since 1940. Fluid sales were approximately five per cent less than in the same month last year.

The total supply of butter -- creamery, dairy and whey -- represented by stocks at the beginning plus May production -- amounted to 41,750,000 pounds, a decline of 6,500,000 from May last year. Reduced stock holdings resulting from the heavy withdrawals during the period of low production were responsible for this situation. On May 1 this year, only 5,250,000 pounds were in storage as compared with 11,250,000 a year ago.

1947 TOURIST TRADE: New records were established in Canada's international tourist trade in 1947, with higher receipts by Canada from foreign visitors than in any other year and greater spending abroad by Canadians than ever before.

Expenditures of visitors to Canada reached an estimated total of \$245 million last year, up about \$23 million over the revised figure of \$222 million for 1946, the previous peak, according to figures released by the Dominion Bureau of Statistics. At the same time, spending by Canadians travelling abroad rose nearly \$31 million over 1946 to the record sum of \$167 million. As a result, Canada's net receipts from the international tourist trade declined to \$78 million from \$86 million in 1946.

Expenditures in Canada both by visitors from the United States and from overseas increased last year over 1946, while Canadian travellers also spent more both in the United States and in overseas countries.

Aggregate spending of Americans visiting Canada is estimated at \$235 million compared with \$216 million in 1946, and of Canadians in the United States at \$152 million as against \$130 million. Resulting from this larger increase in Canadian than United States expenditures, there was a decline in net receipts from the tourist trade with the United States from \$86 million in 1946 to \$83 million in 1947.

OVERSEAS TRAVEL

On overseas travel, including traffic between Canada and Newfoundland, Canadian expenditures in 1947 rose to \$15 million from \$6 million in 1946, while expenditures by overseas tourists increased to \$10 million from somewhat more than \$6 million, making a net debit against Canada of \$5 million and bringing overall net receipts down to \$78 million.

Last year's gain of \$23 million in tourist expenditures in Canada compares with increases over the previous year of \$56 million in 1946 and \$46 million in 1945. These figures indicate, the Bureau report observes, that the rapid growth in the tourist trade which characterized the immediate postwar period had tapered off appreciably in 1947. The American expenditures last year were only nine per cent higher than in the previous year, while the amount spent by overseas travellers showed a gain of 67 per cent.

Total number of entries into Canada from the United States by automobile during the year showed an increase of 12 per cent over 1946, amounting to 5.8 million and consisting of 1.7 million entries on customs permits and 4.1 million by short-term or local vehicles. The volume of permit-holding traffic -- which constitutes the more important part of this traffic from the viewpoint of expenditure -- broke the previous 1946 record, which had replaced prewar high marks established in 1931

and 1937. Assuming three persons per car on customs permit, the 1947 entries represent an inflow of more than five million travellers.

Total expenditures in Canada by all non-resident motorists are estimated at \$112 million for 1947, or about \$14 million more than in 1946. Receipts from travellers arriving by train are put at nearly \$56 million, down from \$61.4 million in 1946 and comparing with the peak of \$67 million in 1944 when restricted automobile traffic boosted train travel.

Through bus services, operating between interior points in Canada and the United States, brought 442,000 passengers to Canada last year, an increase of nine per cent over 1946. Expenditures of these visitors, including a nominal amount for in-transit traffic, totalled \$17 million, just over a million dollars higher than the previous year. Number of air travellers from the United States was 113,000 and receipts from such visitors -- which have shown a rapid postwar rise -- reached \$13 million last year as against \$10 million in 1946. Expenditures by Americans arriving by boat also increased substantially to \$22 million from \$17 million, while those of American visitors entering in other ways is estimated at \$15 million.

Exclusive of immigrants, the number of persons entering Canada in 1947 through Canadian ocean ports was 20,000, of whom 14,900 came from Newfoundland, 3,800 from the United Kingdom and 1,300 from other countries. Added to these were about 2,500 transatlantic air passengers flying direct to Canada and an estimated 14,000 arrivals by air and water via the United States, making a total of 36,500 persons. Total number of Canadians returning to Canada in the year after visits to overseas countries, including 8,300 visiting Newfoundland, was 37,000, which is practically the same as the number returning in 1938, the last prewar year in which European travel was not adversely affected by threats of war.

NAVAL APPOINTMENTS: Appointment of six high ranking officers to new positions at Naval Service Headquarters and in the senior commands of the Royal Canadian Navy was announced June 25, by Hon. Brooke Claxton, Minister of National Defence.

The new appointments include changes in the top executive posts in both the Pacific and Atlantic Commands of the R.C.N. and in the commanding officers of the aircraft carrier "Magnificent", the Canadian Services College, H.M.C.S. "Royal Roads", Victoria, B.C., and the R.C.N. Air Section, Dartmouth, N.S.

Rear Admiral E.R. Mainguy, O.B.E., R.C.N., of Duncan, B.C., at present Flag Officer Pacific Coast, will transfer to the eastern command on October 1 as Flag Officer Atlantic Coast. He succeeds Rear Admiral C.R.H. Taylor, C.B.E., R.C.N., of Weymouth, N.S., who will proceed on retirement leave. Succeeding Rear Admiral Mainguy as Flag Officer Pacific Coast

will be Commodore H.G. DeWolf, C.B.E., D.S.O., D.S.C., R.C.N., of Bedford, N.S., at present in command of the aircraft carrier "Magnificent". Effective date of the appointment is September 8.

Commodore G.R. Miles, O.B.E., R.C.N., of Rothesay, N.B., will relinquish his post as Chief of Naval Personnel at Headquarters to take command of "Magnificent" on August 30. Now commanding officer of H.M.C.S. "Royal Roads", Captain W.B. Creery, C.B.E., R.C.N., of Vancouver, B.C., will become Chief of Naval Personnel on August 16. He will be succeeded in his present position by Captain H.S. Rayner, D.S.C., and Bar, R.C.N., Bedford, N.S., who for the past year has been in command of the R.C.N. Air Section, Dartmouth.

Command of the Air Section will be taken over by Lieutenant Commander (F) A.B. Fraser-Harris, D.S.C. and Bar, Halifax, N.S. on June 28. His present appointment is Commander (Air) of the Section.

WAC MOVES TO OTTAWA: War Assets Corporation head office, which has been located in Montreal since the inception of the war surplus disposal organization, will move to Ottawa about the end of July, it was announced at Montreal, June 22 by H.R. Malley, Vice-President and General Manager. Personnel moving from Montreal will be integrated with elements of the Corporation's headquarters which have been located in No. 4 Temporary Building, in the Capital City.

Gradually diminishing activities, due to the disposal of most of the war surplus, and the desirability of having Head Office in close touch with federal Government officials during the Corporation's future operations, are given as the chief reasons for the move. A considerable saving in operating costs will also result.

The transfer will mean the removal of about 33 of the staff from Montreal to Ottawa.

The Corporation first known as War Assets Corporation, Limited, was incorporated by order-in-council on November 29, 1943, and was authorized "to hold, manage, operate, dispose of or deal in and with surplus Crown Assets consigned or transferred to it".

WAC SALES \$434, 100, 000: Sales totalling \$3,927,600 during May have brought the grand total of receipts by War Assets Corporation from the disposal of war surplus to \$434, 100, 000 according to a statement issued by the Corporation.

Aggregate sales to May 31, 1948, of principal commodities were, in round numbers, as follows:

Ships.....	\$116,774,000
Automotive vehicles and equipment	66,335,000
Machinery and production equipment	60,528,000
Lands and Buildings.....	49,803,000
Clothing and Textiles.....	35,583,000

COMMANDER EDWARDS APPOINTMENT: Appointment of Commander (P) Gordon C. Edwards, R.C.N., of Montreal, as Deputy Director of Naval Aviation (Air Warfare) was announced June 24 by Naval Service Headquarters.

Formerly a member of the Royal Canadian Naval Volunteer Reserve, Commander Edwards recently joined the Royal Canadian Navy with a "short service" commission. He enlisted in July 1940, and shortly afterwards was appointed on loan to the Royal Navy where he was engaged in convoy duty, sailing in ships doing the "Dover Run" in the English channel.

Commencing flying training in 1941, he was attached in 1942 to 824 Squadron, aboard the Royal Navy aircraft carriers "Unicorn", and "Striker". He assumed command of the squadron in 1944, and a year later was appointed commanding officer of 769 Royal Naval Deck Landing Training Squadron in Scotland.

While serving in H.M.S. "Striker" he earned a Mention in Despatches for "gallantry and outstanding service in the face of the enemy". He was twice rescued from the sea when aircraft in which he was flying crashed into the waters off Gibraltar and in the Arctic Ocean. In both cases he was rescued by Royal Navy vessels.

Returning to Canada in 1945 he was named Director of Air Personnel at Naval Service Headquarters, a post he held until his retirement from the R.C.N. (R.) in September 1947.

MUSKRAT PROJECT: A crop of 103,000 muskrats taken on the Summerberry Muskrat Rehabilitation Project near the Pas, Manitoba, was recently sold at an average of \$2.86 per head, according to an announcement of the Indian Affairs Branch of the Department of Mines and Resources.

This project, operated by the Manitoba Government with the co-operation of the Indian Affairs Branch, covers an area of 250,000 acres, and provides a means of livelihood for 500 Indian, half-breed, and white trappers and their families.

Summerberry has been in production since 1940, and, during the last eight years, has produced pelts to a value exceeding \$4,000,000. Out of this sum, more than \$3,500,000 has been returned to the trappers.

COMMERCIAL FAILURES: Commercial failures in the first quarter of 1948 rose to 203, the greatest number in the same period of any year since 1942, according to the Dominion Bureau of Statistics. This total compares with 120 in the same period of 1947, 54 in 1946 and 83 in 1945. Despite the advance over recent years, the number was considerably lower than in pre-war years, comparing with 371 for the first quarter of 1939.

The liabilities rose sharply during the quarter, totalling \$3,405,855 compared with \$1,431,807 in the same period of 1947. There was an advance also over the same periods of 1946 and 1945. Liabilities for the first quarter of 1939 were \$3,592,118.

REPORTING PARLIAMENT BRIEFLY

EUROPEAN RELATIONS STATEMENT: In reply to Mr. Hackett, in the House of Commons on June 19, the Secretary of State for External Affairs, Mr. St. Laurent, made a statement on relations with western Europe and other members of the Commonwealth. He said in part:--

"We feel that, should war break out that affected the United Kingdom and the United States, we would inevitably be involved and that there might be great value in having consummated a regional pact whereby these western European countries, the United Kingdom and the United States and ourselves, would guarantee each other's security.

"We had hoped that the United Nations would guarantee the security of all of us, but that has not been accomplished, and we think there would be value in a regional pact whereby these western European democracies, the United Kingdom, the United States and ourselves agreed to stand together, to pool for defence purposes our respective potentials and co-ordinate right away our forces, so that it would appear to any possible aggressor that he would have to be prepared to overcome us all if he attempted any aggression.

"We do not think a pact that did not include those major powers would be sufficiently impressive to require us to be a party to it. We think this western union is a good thing, but our adhesion to it without the United States would add very little to it. We are hopeful that it will develop into something which will comprise the United States along with those who are already members, and in that event we think the people of Canada would wish that we also be associated with it, not because we want to assert domination over anyone, but because we realize that if the group in this regional pact became involved in war we would necessarily be involved with them...."

NEWFOUNDLAND STATEMENT: In reply to questions by Progressive Conservative members, the Secretary of State for External Affairs, Mr. St. Laurent, made a statement in the House of Commons on June 19 on Canada's recent negotiations with Newfoundland. He said in part:--

"My own personal view with respect to these negotiations has been that it would be a serious responsibility to do or say anything which would prevent the entry of Newfoundland into Canada. I may be an optimist, but I do believe that the Canadian nation is destined to occupy an important place in world affairs. I do believe, further, that that place in world affairs would be better preserved by a territory which extended right out to the broad ocean and that access thereto was not closed to Canada by another sovereignty over the territories of Newfoundland and Labrador.

"Because of that attitude, we made offers which would involve quite costly requirements

from the Canadian people at the present time. But I think we would have been remiss in our duty to future generations of Canadians not to have done so. That offer having been made, if there is a desire on the part of the people of Newfoundland to accept it, I think the Government will be disposed to recommend to Parliament that it be implemented.

"It might be that there would come about in Newfoundland a division of opinion that would show that the time was not ripe for union to take place, and that it would not be easy to have it work satisfactorily in what would then be a new province. That is something which I hope we shall not have to face, and about which I would prefer not to have to express any views, unless we do have to face it. I hope there will be a clear-cut decision in this second vote. I hope it will not be so close as to leave us in the embarrassing position of having to take in a large group of recalcitrants, or having to renounce the opportunity of completing what the Fathers of Confederation originally intended...."

OUTSTANDING CREDITS: In the House of Commons on June 18, in reply to a question by Mr. Macdonnell, the Minister of Trade and Commerce made a statement on the amounts outstanding of credits advanced by Canada. The text, from Hansard, is as follows:--

Mr. MACDONNELL (Muskoka-Ontario): Last night I asked the Minister if he would give us the figures as to the amounts outstanding of credits which had been extended. If the Minister can give us those figures over the last three years, or since the end of the war, showing the amount of credit which has been extended, I should like him to do so. But if he has them for some shorter period than that, I would not object.

Right Hon. C.D. HOWE (Minister of Trade and Commerce): I have certain rather comprehensive statements here. It might be easier to put them on Hansard, but I will read them just to give the idea. To Belgium the total loan was \$100,000,000; the cash advanced to June 12, 1948, was \$67,000,000. The interest to that time was consolidated, so that the gross debt today is about \$67,707,753.42. The balance of the loan is roughly \$33,000,000. It expires on December 31, 1948.

LOAN TO CHINA

The loan to China was \$60,000,000. The cash advanced to date--and I will just give the round figures--was \$42,600,000. Orders have been placed at an estimated cost of \$8,000,000 against the loan.

Mr. MACDONNELL (Muskoka-Ontario): Does that mean that it would now be up to \$50,000,000?

Mr. HOWE: Yes; something more than that, as a matter of fact. Commitments are \$8,000,000. That loan expires on December 31, 1948.

To Czechoslovakia the total loan was \$19,000,000, of which \$15,800,000 has been advanced; and there are outstanding orders of about \$400,000.

With regard to France, there was a total loan of \$242,500,000, of which \$215,500,000 has been advanced; and the \$27,000,000 balance has been committed. That loan expires on June 30, 1948 and it is all expended.

With regard to the Netherlands, there was a loan of \$125,000,000 of which \$119,000,000 has been advanced. That loan expired on April 30, 1948.

To the Netherlands East Indies there was a loan of \$15,000,000, of which \$13,250,000 has been spent. There are outstanding commitments of \$750,000.

There was a loan to Norway of \$30,000,000 of which \$22,000,000 has been spent, with outstanding commitments of \$3,000,000. That loan expires on June 24, 1948. It expires next week.

There was a loan to Russia of \$3,000,000, of which \$2,866,000 has been spent. That loan has expired.

The loan to the United Kingdom amounted to \$1,250 million, of which \$1,015 million has been spent. The payments under that loan have been suspended for the time being. It is hoped that they can be resumed before many weeks go by.

Mr. MACDONNELL (Muskoka-Ontario): You mean advances?

Mr. HOWE: Yes. It is hoped that advances under the loan can be resumed before many months go by. It depends upon the economic situation in Canada, which again depends on the size of the crop and other factors. There is \$235 million unexpended under the British loan. The net result is that we have lent \$1,250 million to the United Kingdom, and \$594 million to the other countries. I think that is the story.

END OF PARLIAMENTARY SESSION NEAR: Sitting morning, afternoon and evening, Parliament is driving hard to conclude the present session within the next few days. It might finish its work this Saturday but general opinion at this writing is that the business will continue on into next week with the termination probable on Tuesday.

GOLD PRODUCTION: Canadian gold production in April amounted to 286,065 fine ounces, down slightly from the preceding month's high of 287,708 fine ounces, but substantially above last year's April output of 254,889 fine ounces, according to the Dominion Bureau of Statistics. All producing provinces shared in the increase with the exception of Nova Scotia. Production for all Canada during the four-month period amounted to 1,108,742 fine ounces as against 975,912 fine ounces in the corresponding period last year.

SILVER PRODUCTION: Production of primary silver in all forms in Canada, amounted to 1,089,755 fine ounces in April, a decline from the preceding month's total of 1,099,369 fine ounces, but an increase over the April, 1947 figure of 851,464 fine ounces, according to the Dominion Bureau of Statistics. Production during the four months ended April totalled 4,182,918 fine ounces as compared with 3,563,449 fine ounces in the similar period of 1947.

AIRBORNE MAGNETOMETER: The adaption of the airborne magnetometer to geophysical work will greatly aid geological mapping according to an announcement made June 22 by the Honourable James A. MacKinnon, Minister of Mines and Resources. Important mining areas in Canada may now be covered magnetically at the rate of 250 square miles a day. This method permits the tracing of many geological formations and structures in areas covered by such materials as glacial drift, thus providing information which would be impossible to obtain by ground methods without extensive drilling or other costly examinations.

INDUSTRIAL DISPUTES: Time loss due to work stoppages arising out of industrial disputes in Canada during May, 1948, showed a substantial decrease as compared with the previous month and with May, 1947, it was revealed in the monthly summary of strikes and lockouts issued by Honourable Humphrey Mitchell, Minister of Labour.

Preliminary figures for May, 1948, show 22 strikes and lockouts, in existence, involving 3,214 workers, with a time loss of 40,164 man-working days, as compared with 16 strikes in April, with 4,491 workers involved and a time loss of 49,396 days. In May, 1947, there were 47 strikes, involving 35,893 workers, with a time loss of 366,070 days.

NEW GOLDEYE SUPPLY: Honourable James A. MacKinnon, Minister of Mines and Resources, gave further information on June 23 about the new source of supply of the nationally famous food fish, goldeyes. This is being developed in Lake Clairé in Wood Buffalo National Park, northern Alberta. Goldeyes have been in short supply in recent years because of the falling off in the catch in Lake Winnipeg and other Lakes and the new fishery is expected to make this delicacy more plentiful. Reports from the Lake Claire camp state that the fish being caught are of high grade and in excellent condition.

The examination of Lake Claire as a possible source of supply of goldeyes and the subsequent development was initiated by Mr. MacKinnon as Minister of Fisheries. As Minister of Mines and Resources, he will see that all necessary precautions are taken to conserve the supply and so perpetuate the industry.

CANADA AT THE UNITED NATIONS

CANADIAN RESOLUTION: The Security Council, on June 22, by a 9-0 vote with two abstentions (Ukraine, USSR) adopted a Canadian draft resolution which said that the Security Council "having received and examined" the three reports submitted by the Atomic Energy Commission, directs the Secretary-General to transmit these reports to the General Assembly together with the record of the Council's deliberations on this subject, "as a matter of special concern".

Andrei A. Gromyko (USSR) opposed the ruling of Paris El - Khouri of Syria, President of the Security Council, that the Canadian motion was procedural but declared that he was not challenging the ruling, adds the U.N. Press Bureau report:

Prior to this the United States draft resolution calling upon the council to approve the three reports of the Atomic Energy Commission and to transmit them to the General Assembly, was not adopted by the Security Council because of the negative vote of a Permanent Member, the USSR. The vote was nine in favour and two against (Ukraine, USSR).

After the defeat of the United States proposal General Andrew G.L. McNaughton (Canada) declared that the Soviet veto had prevented the Security Council from taking a decision on the reports of the Atomic Energy Commission. Obviously, this vitally important matter could not be left to rest there. The General Assembly and the U.N. Member States should have the opportunity to study this matter and judge the attitude taken by each member of the Atomic Energy Commission.

He then submitted the text of what he called "a simple procedural resolution":

"The Security Council,

"Having received and examined the first, the second, and the third reports of the UNAE,

"Directs the Secretary-General to transmit to the General Assembly and to the Member Nations of the United Nations, the first, second, and third reports of the AEC, together with the record of the deliberations of the Security Council on this subject; as a matter of special concern".

MORAL SUPPORT OF THE UNITED NATIONS: In an address delivered to the World Conference of Religion for Moral and Spiritual Support of the United Nations, on June 16, in New York, General A.G.L. McNaughton, Permanent Delegate of Canada to the United Nations, spoke in part as follows:--

"Today far too often we hear people talking glibly of the inevitability of war. Frequently these people are persons who have never themselves been called upon to participate actively in a war and who do not realize the full extent of its horror. Certainly, I do not believe that war is inevitable, but I do believe that it will break out unless nations

can be induced to decide their disputes by the exercise of reason and through discussion instead of by fighting.

"With all its defects and limitations, the United Nations does provide the means and methods by which this process can be carried forward. This does not mean that the United Nations, by itself, can prevent war. As I have already said, the delegates at Lake Success are merely instruments of the Governments of their fifty-eight countries. They have no separate identity of their own. The will to peace must come from the Governments concerned and, even beyond them, from the peoples for whom these Governments are responsible. However, providing that the will to peace does exist, it can be most fruitfully developed through open international conferences and discussions in the manner provided for by the constitution of the United Nations. This again, is a sufficient reason for our giving our full support to this hopeful organization. We must work for unity inspired by consent, rather than for unity derived from the coercion of force. That is, we must work for the direct application of the democratic process in the international field and this requires, above everything, an effectively organized Universal International Association of Nations.

"The primary task of the United Nations is to maintain international peace and security, but it performs as well many other useful functions in the economic and social spheres. The work of the Economic and Social Council, and of the Specialized Agencies which are associated with it, have so far proved to be among the most fruitful undertakings of the United Nations. In the complexity of a modern industrial world it is essential that close cooperation should exist between nations in financial, labour, health and scientific matters - to name only a few of the fields of endeavour. The work of the United Nations in these fields is, to my mind, an additional reason, and a very strong one, for public support...."

DEFENCE STATEMENT: In the House of Commons, on June 24, the Minister of National Defence stated Canada's defence aims and objectives as follows:-- "(1) to provide the force estimated to be necessary to defend Canada against any sudden direct attack that could be or is likely to be directed against it in the near future; (2) to provide the operational and administrative staffs, equipment, training personnel and reserve organization which would be capable of expansion as rapidly as necessary to meet any need; and (3) to work out with other free nations plans for joint defence based on self-help and mutual aid as part of a combined effort to preserve peace and to restrain aggression."