

FINANCIAL STANDING

The regular monthly statement of the Government's financial operations for June 1959, and the first three months of the current fiscal year, released by Mr. Donald M. Fleming, Minister of Finance, showed that June budgetary revenues were \$404.3 million, expenditures were \$460.4 million and there was a deficit of \$56.1 million. For June, 1958, revenues were \$315.2 million, expenditures were \$424 million and there was a deficit of \$108.8 million.

For the first three months of the current fiscal year, budgetary revenues were \$1,175.9 million, expenditures were \$1,143.5 million and there was a surplus of \$32.4 million. For the same period last year, revenues were \$1,001.5 million, expenditures were \$1,066.4 million and there was a deficit of \$64.9 million.

Operations of the old age security fund, which are not included in budgetary transactions, resulted in a deficit of \$8.5 million for June 1959, and an accumulated deficit of \$33.4 million for the three months to June 30 1959. Last year for the three months to June 30, 1958, there was an accumulated deficit of \$42.4 million. These deficits were covered by temporary loans by the Minister under the terms of the Old Age Security Act.

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TELECOMMUNICATION SERVICES

Major planning of new multi-channel multi-purpose undersea telecommunication cables, Canada's position in the development and operation of an intra-Commonwealth "round-the-world" cable system, and recording another profitable year for the fiscal period of 1958-59 are the main features contained in the Ninth Annual Report of the Canadian Overseas Telecommunication Corporation tabled in the House of Commons by Mr. George Hees, Minister of Transport.

The report, submitted by Mr. Douglas F. Bowie, President and General Manager of the Corporation, disclosed a net profit of \$625,703.00 after provision for income tax of \$565,426 and of \$446,206.00 for interest charges on Government loans. This marks the ninth successive year of profitable operating since the Corporation came into being in 1950.

A new Canada-United Kingdom multi-channel cable, scheduled for completion in 1961 and forming the first leg of the proposed British Commonwealth "round-the-world" all-purpose cable occupied the major share of the planning for the Corporation's future projects.

In addition, the report reveals the conclusion of arrangements between Canadian Overseas Telecommunication Corporation and the Great Northern Telegraph Company of Denmark

for a telephone cable between Newfoundland and Greenland and Iceland for ultimate connection with United Kingdom. This system, set for completion by 1962, will provide the rapid and stable telecommunications facilities required by the International Civil Aviation Organization to meet the demands of the jet age of aviation.

Mr. Bowie's reference to the British Commonwealth's "round-the-world" cable development recalls his earlier announcement in October last year in commenting on the project for the first time. At that time, the Corporation's President said, "the completion of the system will mean that the Commonwealth will have the first and finest integrated system of telecommunication in the world - which must inevitably mean great improvements in cultural and trading relations. In time, of course, there will undoubtedly be similar links to foreign countries from the main Commonwealth system and the resultant facility of communication must surely help towards better international relations and understanding. Broadcasts of the same quality as we now get from the United Kingdom will become available for events of international significance and it will certainly be comforting to know that they will materialize and not be dependent upon the whim of atmospheric disturbances".

The report also revealed that "substantial emergency facilities" were called into action during the break in the trans-Atlantic telephone cable and which was out of action for eight days from February 21 of this year. As a result of this experience, said the report, valuable knowledge has been gained to enable the Corporation to carry on "more effectively in the event of similar occurrences in the future".

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NATO RESEARCH GRANTS

Mr. Howard Green, Secretary of State for External Affairs, has announced that Canada is to participate with its NATO partners in a \$1 million Research Grants Programme which was recently approved by the NATO Council for the purpose of (a) promoting increased co-operation in research among the member countries, and (b) giving support to certain specific projects requiring international aid.

This programme was recommended by the NATO Science Committee which, it will be recalled, was created at the meeting of the heads of NATO Governments in December, 1957, with responsibility, among other things, for making recommendations to The North Atlantic Council for action which could increase the potential of the Alliance in the scientific field.

The selection of recipients of the research grants will be made by a NATO Science Research Grants Panel, consisting of five distinguished scientists appointed by the Science Committee,

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