

**FINANCIAL STATEMENT:** The Honourable Donald M. Fleming, Minister of Finance, released August 24 the regular monthly statement of the Government's financial operations for July 1957, and the first four months of the current fiscal year.

For July, budgetary revenues were \$501.5 million, expenditures were \$411.4 million and the surplus was \$90.1 million. For July 1956, revenues were \$459.9 million, expenditures were \$349.9 million and the surplus was \$110 million.

For the first four months of the current fiscal year, budgetary revenues were \$1,686.7 million, expenditures were \$1,475.9 million and the surplus was \$210.8 million. For the same period a year ago, revenues were \$1,613.3 million, expenditures were \$1,282.9 million and the surplus was \$330.4 million.

Mr. Fleming pointed out that while the budgetary surplus for the first four months of the current fiscal year was \$210.8 million compared with a surplus of \$330.4 million for the same period last year, expenditures this year included the payment in April of \$100 million to the Canada Council, and additional payments of \$21.2 million to the provinces. In 1957-58, payments under the Federal-Provincial Tax-Sharing Arrangements Act are made monthly whereas in 1956-57, payments to the provinces were made quarterly. Consequently the total for 1957-58 includes payments for four months while that for 1956-57 included payments for only three months.

Operations of the old age security fund, which are not included in budgetary transactions, resulted in a deficit of \$2.6 million for July 1957, and an accumulated deficit of \$5.3 million for the four months to July 31. Last year, for the four months to July 31, 1956, there was an accumulated deficit of \$6.2 million which was covered by a temporary loan by the Minister under the terms of the Old Age Security Act.

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**TEACHERS TO EUROPE:** Sixty-seven school teachers from almost every province of Canada have arrived in Europe to join the teaching staffs of RCAF dependents' schools in England, France and Germany. It has been announced by Royal Canadian Air Force Headquarters.

Members of the group, who departed from Quebec on S.S. Homeric earlier this month, have been appointed to their new posts for a two-year period, and are replacing teachers whose terms have expired.

The RCAF has approximately 150 Canadian teachers in the UK and on the Continent responsible for the education of dependents of personnel serving with the RCAF's No. 1 Air Division. They teach at RCAF schools located in Langar, England; Metz, Marville and Gros-tenquin, France; Baden-Soellingen, Zweibrucken, West Germany. In addition, some of the Canadians will be teaching at NATO dependents' schools at Trier, Germany, and Paris.

**"LABRADOR" SAILS NORTH:** The Royal Canadian Navy's Arctic patrol ship, HMCS Labrador, has reached Resolute Bay, 480 miles north of the Arctic Circle, the Navy has announced. She is on a voyage to Bellot Strait in the latest quest for a feasible Northwest Passage.

Upon arrival at the eastern approach of the strait, the Labrador's commanding officer, Captain T.C. Pullen, of Oakville, Ontario, and Halifax, will assume responsibilities as Commander Bellot Survey Group, a component of the Arctic Task Force of the U.S. Navy's Military Sea Transport Service Atlantic.

The Labrador sailed northward through Davis Strait from Frobisher Bay. After entering Lancaster Sound, via Pond Inlet, Eclipse Sound and Navy Board Inlet, she proceeded to Resolute on Cornwallis Island for final pick-up and delivery of mail and will continue south through Prince Regent Inlet to the Bellot area.

Before commencing her voyage northward, the Labrador discovered a much-needed deep draft channel at Frobisher Bay, replacing more devious routes to the Baffin Island port. Her search now is for another deep draft channel, a Northwest Passage through Bellot Strait, separating Boothia Peninsula and Somerset Island.

The 80-ton RCMP Schooner St. Roch is the only ship ever to make a voyage through the Northwest Passage via Bellot Strait. The voyage took place from 1940 to 1942 from west to east. The Labrador sailed through the Northwest Passage in 1954 by the northern route through Viscount Melville Sound.

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**PRODUCTION INDEX DROPS:** The seasonally adjusted index of industrial production declined about 1 per cent in June to 284.1 from 286.9 (revised) in May, the Dominion Bureau of Statistics reports. The adjusted mining index fell 4.3 per cent to 291.9 from 305.0 (revised) in May, while index of manufacturing production was almost unchanged at 282.3 compared with 282.6 (revised) in May. The durables component rose slightly to 336.6 from 335.4 (revised), but this was offset by the non-durables which fell to 247.5 from 248.9. The adjusted index for output of electricity and gas declined to 285.2 from 289.1.

For the first six months of 1957, the index of industrial production averaged 284.9, 2.9 per cent above the corresponding 1956 average of 276.8. The manufacturing index rose 1.1 per cent to 284.7 from 281.6. The non-durables component advanced 2.2 per cent to 246.3 while the durables index dropped fractionally to 344.7 as compared with 345.2 for the first six months last year. The mining index increased 10.4 per cent to 276.9, from 250.9, and the sub-index for electricity and gas rose 6.5 per cent to 304.7 from 286.2.