

effective participation by West Coast shipbuilders in national competitions may be prejudiced initially by their higher costs. Accordingly, under this transitional plan, a portion of Government ship requirements, which could be subject to national competition, will be guaranteed to the West Coast area, on an annually decreasing basis, to the end of the period. Such a transitional plan would reduce any disruption in West Coast shipyards by the sudden introduction of national competition. It affords West Coast shipbuilders an opportunity to adjust productivity factors.

- (3) The appointment of a joint Industry-Government Committee to examine those contractual conditions necessary for effective competition. This applies particularly to the case of warship construction, for which the requirements are sophisticated, the standards exacting and construction periods extensive.

The achievement of a single integrated shipbuilding policy projected over an extended period is consistent with the philosophy of the Glassco Commission Report.

A CAPITAL QUESTION

The question of where the capital of the Northwest Territories should be will be raised in August at hearings of the Advisory Commission on the Development of Government in the Northwest Territories. Chambers of commerce and other local groups are expected to argue in favour of their own communities. Or, if they support proposals to create two separate territories, they may urge the establishment of two new capitals - one in the Western and one in the Eastern Arctic.

The present territorial government, headed by Commissioner B.G. Sivertz, is located in Ottawa. Since 1951, however, the administrator of the Mackenzie District has had his offices at Fort Smith.

In 1962 the territorial council proposed the creation of a separate Mackenzie Territory, with Fort Smith as its capital. This arrangement seems satisfactory to some Northerners, while others favour the transportation centre of Hay River or the large mining community of Yellowknife, and the forthcoming hearings may produce still other suggestions.

HISTORICAL CANOE RACE

Testing and training will begin this summer and be extended next summer in preparation for one of the most ambitious and potentially attractive outdoor shows of Canada's centennial year - a canoe race of 3,500 miles from Edmonton, Alberta, to Montreal.

At least ten seven-man canoes, one from each province, it is hoped, and possibly others from the Territories, will follow the waterways used by the *voyageurs*, traders and explorers before there were roads. The paddlers, who will wear the colourful garb of the *voyageurs*, will stop, in their 100-day race to Montreal for a grand finish at Expo '67, at many points along the famous old water route.

STUDY OF CONSTRUCTION INDUSTRY

Labour Minister Allan J. MacEachen recently commended the Canadian Construction Association for its special centennial project - a major and comprehensive inquiry into the conduct of construction-labour relations in Canada.

Mr. MacEachen said he was particularly pleased to learn of this project because it should fit in with the Government's own efforts, through its Manpower Consultative Service, to encourage industry and labour to examine their positions critically. Since the Service was established last year, it has entered into five agreements under which employers and unions are studying the manpower effects of technological and industrial changes in their respective plants or businesses. The Minister said the Department of Labour stands ready to assist in any way it can in this new inquiry if called upon by the Canadian Construction Association.

The construction-industry studies are to be guided by a steering committee under the chairmanship of H. Carl Goldenberg, Q.C., of Montreal. A report on the inquiry, with recommendations for improved methods for the conduct of construction-labour relations and their implementation, will be released in January 1968.

IRON ORE

Shipments of iron ore by producers increased in May, to 4,324,469 tons from 4,203,165 a year earlier, and in the January-May period to 10,977,950 tons from 9,595,608 in the corresponding period of 1964.

Export shipments climbed in May to 3,961,905 tons from 3,791,966 a year earlier, and in January-May to 9,705,492 tons from 8,212,502 a year ago, while domestic shipments declined in the month to 363,564 tons from 411,199 and in the five months to 1,272,458 tons from 1,383,106. Stocks at the end of May were smaller than a year ago, at 3,800,676 tons compared to 5,192,033.

May shipments were greater than a year earlier from all producing regions except Quebec. The month's totals were: Newfoundland, 1,476,299 tons (1,300,540 in May 1964); Quebec, 1,570,934 (1,801,779); Ontario, 993,691 (913,515); and British Columbia, 284,545 (187,331).

INDUSTRIAL PRODUCTION

Canada's seasonally-adjusted index of industrial production (1949=100) for April declined by 0.5 per cent to 225.6 from the revised March level of 226.7. The decrease was the result of respective drops of 0.7 per cent and 1.3 per cent in manufacturing and electric power and gas utilities and a gain of 0.9 per cent in mining output.

At an index level of 205.4 (1949=100), non-agricultural real output in the first quarter of 1965 was 2.2 percent higher than in the fourth quarter of 1964, after removal of seasonal influences. Most of the major industry divisions contributed to this increase.

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