

ADDITION TO FISHERIES FLEET

Construction of a 179-foot multi-purpose fisheries-patrol vessel for Canada's Atlantic waters will start soon, Fisheries Minister J. Angus MacLean announced recently. It will be based at St. John's, Newfoundland. Mr. MacLean announced that the contract for the building of the vessel has been awarded to the Halifax Shipyards, Halifax, Nova Scotia, at a cost of \$1,114,516.

The steel diesel-engined vessel will have an aluminum superstructure and will be used primarily in the Department's protection fleet. It will also supplement the Department's Bait Service in Newfoundland, and will be available for rescue work when called upon by the Marine and Rescue Co-ordinating Unit.

Largest of the Department's protection fleet, the vessel will have a cruising range of several thousand miles. Its engines will develop in excess of 2,000 horse-power. The vessel's rugged construction will enable it to stay out in the most adverse weather conditions; the hull is strengthened for navigation in ice. Because of its size and speed the new vessel will be able to patrol efficiently in offshore waters to enforce the Coastal Fisheries Act and Canadian fisheries regulations.

The vessel's design is such that, in the event of future requirements for oceanographic duties, modifications for laboratories and other specialized equipment could be easily made. To facilitate its role in the Department's Bait Service programme, the vessel will be equipped with cold-storage space of 3,400 cubic feet enabling it to carry 50 tons of frozen bait. When required it will pick up bait at the Department's Newfoundland depots for transfer to the various holding units.

* * * *

INTERNATIONAL PAYMENTS

Canada's current imbalance from transactions in goods and services with other countries rose in the second quarter of 1960 to \$471 million, from \$315 million in the first quarter. At this level the current deficit was higher than in any quarter since the second of 1957, when it reached \$545 million. In the half year, however, this imbalance of \$786 million was less than the \$848 million imbalance in the first half of 1959, because of the lower level of the deficit in the first quarter this year. The level in the half year was also considerably below that in the first half of 1957.

IMPORT BALANCE

The largest part of the rise during the first and second quarters this year was due to a fourfold rise in the import balance on merchandise trade. Part also resulted, however, from a larger deficit from non-merchandise transactions, which made up well over

half of the deficit in the quarter. And in comparison with that for the second quarter of 1959, the rise was entirely from the larger deficit from non-merchandise transactions, which was also some 10 per cent higher than in 1959 in the half-year comparison. The imbalance from non-merchandise transactions was greater in the quarter for each group of transactions, with the exception of official contributions. In the half year too, the larger imbalance originated in most groups of transactions, the only exceptions being official contributions and new gold production available for export.

INFLUENCING FACTORS

Among the factors influencing the balance of the half year were the coincidence of unusually strong demands from overseas countries for Canadian industrial materials and the maintenance of export totals to the United States at generally high levels in most of the period combined with the moderating of the upward trend in Canadian imports that had been characteristic of recent years. At the same time, the deficit from non-merchandise transactions has continued to grow with a rising balance of indebtedness to other countries and high incomes in Canada. And inflows of capital into Canada in long-term forms in the half year were substantially higher than last year.

* * * *

ALUMINUM IN 1959

Recovery from the manufacturing decline that continued to affect Canada's aluminum markets in the preceding year was evident in 1959, particularly in its second half. Production, which amounted to 599,342 tons, was nevertheless 34,750 tons below the output of 1958. World production, on the contrary, increased - from the 1958 total of 3,890,000 tons to an estimated 4,355,000 tons. As the world rate of increase in consumption did not match the growth in production capacity, competition for markets was intensified, with the result that countries normally considered to be net importers of aluminum had metal for export. Also, the control of captive markets by other producers tended to reduce Canadian participation in some export markets. The result of these developments was that, owing to the need to balance production, demand and accumulated inventories, a number of Canadian smelters operated for part of the year at production rates that were low in relation to the industry's 865,600-ton capacity.

EXPORTS UP

While production in relation to capacity declined, the volume of exports rose 4.6 per cent for primary forms and 44.6 per cent for semi-fabricated forms. On a value basis, exports increased only 1.6 per cent for primary forms but 31 per cent for semi-fabricated