



CANADA

CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION • DEPARTMENT OF EXTERNAL AFFAIRS • OTTAWA, CANADA

Vol. 13 No. 39

September 24, 1958

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COMMONWEALTH CONFERENCE

The establishment of a Commonwealth financial institution and a food bank was suggested by Prime Minister Diefenbaker in an address to the Commonwealth Trade Conference in Montreal, September 18.

Mr. Diefenbaker, said in part:

"I am attracted by the idea of a Commonwealth financial institution as a channel to provide funds, particularly to those countries that are newly emerging or have just emerged from colonial status to nationhood within the Commonwealth.

"There are difficulties, but I commend to the Conference the objective of devising suitable Commonwealth arrangements to provide economic encouragement, more especially to nations as full status in self-government is attained.

"In most, if not all countries, it has been deemed imperative to afford special support to safe-guarding measures for agriculture. We delude ourselves if we regard this as a passing phase -- it is clearly here to stay. The actions which Governments are impelled to take may harm the interest of farmers in other lands. As surpluses arise they are shipped abroad where interference may result in the normal trade of other nations.

"Canada has suffered for many years from the consequences of efforts by other countries to foster their agriculture. We have had to take action, and the effects thereof have been felt by other nations. While trying to mini-

mize these detrimental effects, it is agreed that they cannot be eliminated entirely.

"What can be done?

"To buy up surpluses from other countries entering our markets and seek to sell them elsewhere would not correct the general situation. The difficulty of solution is so widespread that no one nation can hope to overcome it by unilateral action, or in groups as relatively small as that comprised in the Commonwealth. It might, therefore, be desirable for all the nations that are substantial producers or importers of food to undertake in co-operation a systematic review of the conditions of world trade in agricultural products and the rules under which such trade can be carried out with harmony and good sense. The Government of Canada would be prepared to join in such an effort, for which the machinery set up under the General Agreement On Tariffs And Trade provides a convenient forum for a realistic discussion.

"Out of such a review would come useful ideas to be applied in the setting up of a food bank. We must expect surpluses of food to persist and unless and until means can be devised to remove them from commercial trade and use them to meet the needs of those who cannot produce or afford to buy the food their peoples need for proper sustenance.

"I would like to see a transfer of surpluses undertaken co-operatively by the major producing countries on a reasonably systematic

basis. Emergency requirements could be promptly met from such stockpiles, and under-developed nations needing food would have a source from which to meet their needs.

"Most members of the Commonwealth are concerned with the instability in markets and prices for primary products. This instability certainly makes doubly difficult the effective and orderly economic development of those member nations which depend largely upon the export of such products. We have joined in agreements to stabilize prices of tin and sugar, of which we are consumers, as well as in the agreement on wheat, of which we are an important producer. We stand ready to examine in detail, and in good faith, proposals for other agreements. We believe the wheat agreement has been of value, and we shall take a lead in seeking its extension next year, and the participation of the United Kingdom in it."

CANADIAN SAVINGS BONDS

Mr. Donald M. Fleming, Minister of Finance has announced that the 1958 Series of Canada Savings Bonds will go on sale on October 14.

In making this announcement following the conclusion of the successful Canada Conversion Loan Mr. Fleming emphasized that the 1958 Canada Savings Bond campaign would form an important part of the government financing programme for the current fiscal year. He said that the Canada Conversion Loan had been immensely successful in its objective of re-financing existing obligations, thus making conditions more favourable for the raising of new money requirements, which for the current fiscal year total about \$1,400 millions. The strong demand for Series 12 Canada Savings Bonds in 1957 made it evident that this security retained its popularity with individuals. The decision to offer a new series was taken in response to this demand. Mr. Fleming expressed the hope that this demand would be stimulated by the special importance of the offering this year and would result in a substantial sale. The terms of the new bonds are attractive in comparison with market issues of similar maturity and particularly in relation to the privilege of redemption at par.

The new Canada Savings Bonds will be dated November 1, 1958 and will mature 15 years later on November 1, 1973. They will be offered for sale at 100 per cent up to November 14, 1958. The bonds will carry 15 coupons each covering a one year period. The first coupon will pay interest at the rate of 3½ per cent and the remaining 14 coupons at 4½ per cent. The average yield to maturity is 4.19 per cent. The limit for holdings for the 1958 series in any one name has been set at \$10,000.

As in recent issues, the 1958 Series Canada Savings Bonds will be available in coupon form in denominations of \$50, \$100, \$500, \$1,000 and \$5,000. They must be registered as to principal in an individual's name whether adult or minor. In addition to coupon bonds in the above denominations, the 1958 Series Canada Savings Bonds will be available in fully registered form in denominations of \$500, \$1,000 and \$5,000. Buyers of the latter will receive their interest payments by cheque. Coupon registered and fully registered bonds will be interchangeable at any time.

The 1958 Series will retain other familiar features of previous issues including the privilege of redemption at full face value plus earned interest at any time at any bank in Canada.

It is expected that more than 12,000 firms will provide their employees with the facilities to purchase Canada Savings Bonds on the Payroll Savings Plan, and that investment dealers, chartered banks, trust or loan companies, stock brokers and other savings institutions will be offering the bonds to the general public.

NAME SCHOOLS FOR V.C. WINNERS

Three public schools at Camp Borden, Ont., have been named for deceased Canadian winners of the Victoria Cross, the Commonwealth's highest award for gallantry, Army Headquarters announced September 11.

Formerly designated only by a number painted on their exteriors, the schools now will be known as The Alexander Dunn Public School, The Frederick Campbell Public School and The Joseph Kaebler Public School.

Some 1,496 pupils, children of servicemen at the camp, attend classes ranging from kindergarten to Grade VIII in the three schools.

The Alexander Dunn Public School is named for Lt. A.R. Dunn, VC, a native of York, Upper Canada who won the Victoria Cross in 1854 while serving with the British Army's 11th Hussars during the famed Charge of the Light Brigade in the Crimean War. His medals and ceremonial sword are displayed at Upper Canada College, where he received his early education. He was accidentally killed during a hunting expedition in Abyssinia in 1868.

The Frederick Campbell Public School honours Lt. F.W. Campbell, VC, of Mount Forest, Oxford County, Ont., at one time a Public School Trustee and Director of the Mount Forest Agricultural Society.

A veteran of the Boer War he was awarded the Victoria Cross for a gallant single-handed attack on the German front line at Givenchy, France in June 1915. He died of wounds received in the attack and is buried at Boulogne, France.

RECORD FARM INCOME

Cash returns to Canadian farmers from the sale of farm products were estimated at a record of \$1.3 billion in the first six months of this year, the Dominion Bureau of Statistics reports. This was about 9 per cent higher than the estimate of \$1.2 billion for the like 1957 period. The increase in farm income compared with a year earlier can be attributed in the main to the sale of live stock and animal products; returns from field crops were slightly lower.

All of the provincial estimates for the first half of the year were higher than a year earlier. Increases for the majority of provinces approximated the national average of 9 per cent. The major exception was Prince Edward Island where an increase of 25 per cent was recorded as a result of significant increases in returns from sales of cattle, calves and potatoes.

Income from the sale of live stock and animal products was estimated at \$807 million in this year first half, up about 16 per cent from the estimate of \$697 million a year earlier. About half of this increase accrued to Prairie farmers with the result that income from the sale of live stock and animal products was about 27 per cent higher in the Prairies. Elsewhere, income from live stock and animal products was about one-tenth higher.

Income from each of the commodities in the live stock and animal products group was higher in the first half of the year than during the corresponding period of 1957. This can be attributed in the main to the combined effects of larger marketings and higher prices. The two exceptions were hogs and lambs; hog prices were, on the average, slightly lower in the first half of 1958 than in the like period of 1957 and lamb marketings were smaller. These declines were not sufficient to offset the effects of higher marketings in the case of hogs and the higher prices in the case of lambs.

Returns from the sale of field crops in the half-year period were \$424,497,000, slightly smaller than last year's \$431,541,000. This decline can be attributed in the main to three factors: smaller participation payments by the Canadian Wheat Board on wheat; substantial repayments of cash advances made under the Prairie Grain Advance Payments Act, particularly during the second quarter of this year; and a significant drop in flax marketings. Partially offsetting these declines were higher returns from the sales of wheat, barley, rye and potatoes. While prices received for these crops were, on the average, about the same as a year earlier, marketings were generally higher. Returns from the sale of field crops in this year's first half were higher than a year ago in all provinces except Saskatchewan and Alberta, with the largest

relative increases recorded in Prince Edward Island and New Brunswick.

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DIPLOMATIC CHANGES

The Secretary of State for External Affairs announced September 15 the following appointments, transfers and retirements to take place shortly in the Canadian Diplomatic Service:

Mr. Norman A. Robertson, at present Ambassador to the United States of America, has been appointed Under-Secretary of State for External Affairs, to succeed Mr. Jules Léger who has been appointed Permanent Representative to the North Atlantic Council and the Office of European Economic Co-operation. Mr. Léger succeeds Mr. L. Dana Wilgress who is retiring from the Canadian Diplomatic Service. The appointment of Mr. Robertson's successor will be announced later.

Mr. Thomas Archibald Stone, at present Ambassador to the Netherlands, has been appointed Ambassador to Mexico to succeed Mr. D.S. Cole whose retirement was announced earlier.

Mr. Charles Pierre Hébert, at present Ambassador to Belgium and concurrently Minister to Luxembourg, has been appointed Ambassador to the Netherlands to succeed Mr. Stone. The appointment of Mr. Hébert's successor will be announced later.

Mr. George Ignatieff, at present Ambassador to Yugoslavia, has been appointed Deputy High Commissioner in London to succeed Mr. Sydney David Pierce, whose next posting will be announced later. The appointment of Mr. Ignatieff's successor also will be announced later.

Mr. John Clark Watkins, at present Assistant Under-Secretary of State for External Affairs, has been appointed Ambassador to Denmark to replace Mr. H.F. Feaver whose appointment as Chief of Protocol was announced earlier.

Mr. Arnold Cantwell Smith, at present Minister in the Office of the High Commissioner for Canada to the United Kingdom, has been appointed Ambassador to the United Arab Republic, to succeed Mr. R.M. MacDonnell, whose appointment as Deputy Under-Secretary of State for External Affairs was announced earlier.

Mr. Paul André Beaulieu, Q.C., at present Chargé d'Affaires A.I. in Beirut, has been appointed Ambassador to Lebanon. Mr. Beaulieu will succeed Mr. R.M. MacDonnell, who was Canadian Minister to Lebanon as well as Ambassador to the United Arab Republic.

Mr. Stuart Davidson Hemsley, at present Head of the Inspection Service of the Department of External Affairs, has been appointed Consul-General in Boston, to succeed Mr. Alexandre J. Boudreau, whose retirement was announced earlier.

Mr. John Price Erichsen-Brown, at present Chargé d'Affaires in Warsaw, has been appointed Canadian Commissioner to the International Supervisory Commission for Vietnam to succeed

Mr. T. Lem. Carter.

Mr. Louis Philippe Picard, at present Ambassador to Argentina, will be leaving his post some time this month on the termination of his assignment. The appointment of Mr. Picard's successor will be announced later.

The Secretary of State for External Affairs also announced the resignation of Hugh L. Keenleyside from the Public Service of Canada. Mr. Keenleyside, now 60, is Director General of the Technical Assistance Administration of the United Nations.

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CANADA'S POSTWAR EXPANSION

The following article is reprinted in part from the Bank of Nova Scotia's Monthly Review:

No aspect of Canada's remarkable postwar economic growth has attracted more attention than the very high rate of capital investment. In the years since the war, capital outlays have absorbed on the average no less than one-fifth of the total national expenditure. Not since the railway-building era early in the century has the rate of capital formation been so high.

The key role played by resource development in this surge of capital spending is well known. Though the growth of secondary industry and efforts by the various levels of government to meet accumulated needs for social capital have been important, the postwar capital boom has been sparked by the accelerated development of mineral, forest and water-power resources.

Moreover, since about 1950 there has been a growing emphasis on very large projects in areas untapped before. In the earlier postwar years, development tended to centre on the extension of existing industries based on known and accessible resources; it was largely a "filling-in" process. Thus, pulp and paper capacity was increased in both the east and the west; the extension of asbestos-mining facilities in the Eastern Townships of Quebec was undertaken; and additional hydro-electric sites were developed to serve industrial areas across the country. This filling-in process has of course continued; for instance, several big new pulp and paper mills have been built and old ones expanded both on the British Columbia coast and in eastern Canada, and nickel-copper capacity in the Sudbury Basin is substantially enlarged. But in the past seven years or so emphasis has shifted more and more to resources previously unexploited: iron ore in Quebec-Labrador, uranium in Ontario, nickel in northern Manitoba, oil and gas on the prairies, water power to produce aluminum in northern British Columbia, to give only a few leading examples. From one coast to the other the big project has become a familiar landmark, stimulating activity and pushing the frontier northward.

This wave of resource development on the grand scale has been brought about by a con-

junction of favourable circumstances. Of primary importance has been the postwar rise in world demand for industrial materials, particularly the insistent needs of the huge and growing economy of the United States. In some instances--the Knob Lake iron-ore project is an outstanding example--this demand has been concentrated in a single U.S. industry which not only has constituted a market for the product but has also provided much of the capital and the specialized technical knowledge required. A further stimulus has come from new techniques in discovery, processing and use. Spurred on by the demands of the atomic age, prospectors were led by the geiger counter to the uranium deposits lying along the edge of the Canadian Shield. The airborne magnetometer or "flying doodle-bug" has been increasingly used in the search for minerals, and played a major role in locating the huge nickel orebody in the Mystery Lake area of northern Manitoba. An advance in titanium metallurgy led to the exploitation of the Allard Lake ilmenite orebody in New Quebec. And new extractive methods are bringing closer to realization such long-mooted projects as development of the Athabascatar sands and of the Woodstock, New Brunswick manganese deposits.

Because previously untapped resources are for the most part located in remote or inaccessible areas, development tends to be on a large scale. Railways, roads and airstrips have to be built, power developed, townsites established, and municipal facilities such as schools, hospitals and sewers provided. The cost of these ancillary services is high and must be spread over a large volume of output if the undertaking is to be economic. Because of the large amounts of risk capital needed and the keen U.S. interest in Canada as a source of raw materials, the big resource projects, especially those involving mineral development, have been a focal point for the inflow of U.S. capital--which has been encouraged by the favourable investment climate in this country.

The big resource projects have had profound and far-reaching effects on the Canadian economy. New transportation routes are threading their way north into the wilderness all across the country, opening the way for further development. The St. Lawrence Seaway and the oil and gas pipelines are strengthening the traditional lines of communication that link east and west. New industries are springing up based on the newly available raw materials. The establishment of a petrochemical industry in Alberta is of course the prime example. Often, too, resource projects are inter-related. One of Edmonton's petrochemical plants produces textile fibres using Alberta natural gas and British Columbia pulp as raw materials. Sulphur extracted from the "sour" gas produced in the foothills of southwestern Alberta is shipped north to Uranium City, west to the B.C. pulp and paper mills and east to a

new fertilizer plant at Medicine Hat, Alberta. The availability of natural gas as a fuel was an important factor in the recent establishment of the first pulp mill in the power-short Prairie Provinces--at Hinton, Alberta, north-west of Edmonton. And of course the transportation of iron ore from Quebec-Labrador to the heart of the continent was a key consideration in the decision to build the St. Lawrence Seaway.

No less important is the impact of the big resource projects on a host of supplying industries. For instance, the amount of cement required by the Seaway alone staggers the imagination. Though many of the more specialized types of machinery and equipment have been imported, heavy industries in eastern Canada have been turning out such things as generators for power plants, digesters for pulp mills, grinding rods and balls for mine concentrators and tanks for uranium leaching mills. Particularly striking is the construction of half-a-dozen new pipe mills in Ontario and the west in response to the soaring requirements of the oil and gas industry.

Finally, the success of large-scale projects has encouraged Canadians to think in bigger terms. When Knob Lake, Kitimat and the Interprovincial pipeline were embarked upon, they were regarded as remarkable, singular feats. They turned out, in fact, to be simply the first in a succession of huge projects, including the two largest single undertakings in Canada since the building of the trans-continental railway system: the St. Lawrence Seaway and the Trans-Canada gas pipeline.

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ASSISTANCE TO REFUGEES

Subject to Parliamentary approval, the Canadian Government plans to contribute \$290,000, to be paid in 1959, to the United Nations High Commissioner for Refugees for the purpose of closing the Refugee Camps in Europe under his mandate.

At the end of the Second World War the number of homeless refugees in Europe was close to 2.2 million people, but this number has now been reduced to less than 200,000. Canada contributed nearly \$19 million to the former International Refugee Organization, which was disbanded in 1952, and has continued to make contributions to the programme of the United Nations High Commissioner for Refugees, who is responsible to the General Assembly of the United Nations for assistance to refugees.

The High Commissioner hopes that if governments meet his request for increased contributions in the near future, the European Refugee Camps can be closed by the end of 1960, thus terminating one of the most urgent and costly aspects of his mandate.

At the same time, it was announced that the Government had decided to seek Parliamentary approval for a contribution of \$60,000 to the

Intergovernmental Committee for European Migration (ICEM) for the purpose of moving European Refugees out of China.

Most of these refugees are White Russians who left their country after the Bolshevik Revolution of 1917. Approximately half of them have been moved by ICEM from Hong Kong to overseas destinations, but it is estimated that nearly 10,000 still remain in China. Of those, 6,000 have already been accepted for permanent settlement in certain countries, chiefly in Australia and Brazil. However, as these Refugees have little or no funds of their own, international assistance is necessary if they are to be able to move from the mainland of China to permanent homes overseas.

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IMPORTS PRICE DROP

Canada's commodity imports in May were valued at \$485,100,000, a decline of 12.5 per cent from the all-time high for any month of \$554,100,000 in May last year, the Dominion Bureau of Statistics reports in its regular monthly summary. Total for the January-May period was \$2,123,700,000, down 13.6 per cent from last year's five-month peak of \$2,450,600,000.

Among major commodities there were lower values in May and the five months for industrial machinery, crude petroleum, automobiles and parts, farm implements and machinery, pipes, tubes and fittings, rolling-mill products, cotton and wool products, rubber products and coal, but increased values for fruits and aircraft and parts. Values were lower in the month but higher in the cumulative period for vegetables, sugar and products and paper.

Imports from the United States dropped to \$330,949,000 in May from \$394,596,000 a year earlier and to \$1,504,156,000 in the January-May period from \$1,816,646,000. Smaller values were posted for all nine main commodity groups both in May and the five-month period, chief declines being in the iron and products group.

Contrary to the general trend, imports from the United Kingdom rose in May to \$55,397,000 from \$50,716,000 a year earlier and to \$222,696,000 in the five-month period from \$216,775,000. Trends were mixed among the major commodity groups in both periods, with substantial increases in iron and steel products, agricultural and vegetable products and miscellaneous commodities more than offsetting a sharp decline in textile imports.

Purchases from the rest of the Commonwealth declined to \$24,252,000 in May from \$29,835,000 a year earlier and to \$78,249,000 in the January-May period from \$91,479,000. There were smaller imports in both periods from the West Indies Federation, Malaya and Singapore and New Zealand, but larger purchases from Australia. Imports were higher in the month but lower in the cumulative period from Ceylon and India.

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Imports from Latin American countries as a group fell in May to \$29,514,000 from \$35,942,000 a year earlier and in the January-May period to \$136,440,000 from \$154,513,000. Both May and January-May values were smaller for Colombia and Venezuela but larger for Mexico.

Purchases from European countries declined in May to \$28,345,000 from \$31,342,000 a year earlier and in the five-month period to \$109,671,000 from \$119,853,000. Smaller values were posted in both periods for Belgium and Luxembourg, France, Federal Republic of Germany and Sweden, but larger for Denmark and the Netherlands.

Due largely to sharply increased purchases from Arabia, total imports from all other foreign countries rose in May to \$15,848,000 from \$10,915,000 and in the five months to \$68,791,000 from \$48,157,000.

NAME SCHOOLS FOR V.C. WINNERS

(Continued from P. 2)

The Joseph Kaeble Public School commemorates Cpl. Joseph Kaeble, MM, VC, of St. Moise, Que., who won both the Military Medal and the Victoria Cross while serving in France with the 22nd Canadian Infantry Battalion during the Great War 1914-18.

With a Lewis gun, he personally broke up a strong enemy attack on his position but while doing so was wounded many times. He died of his wounds and is buried near Arras, France.

ELECTRIC ENERGY

Total net generation of electric energy in July by Canadian firms producing 10 million kilowatt hours or more per year, advanced 8.1 per cent to 7,671,815 megawatt hours from 7,099,074 a year earlier, placing the January-July total 7.7 per cent above last year at 56,033,844 megawatt hours versus 52,018,920 according to the Dominion Bureau of Statistics.

July imports of electric energy dropped sharply to 14,460 megawatt hours from 113,200 a year earlier, and exports less steeply to 390,714 megawatt hours from 530,357, resulting in a rise of 9.2 per cent in the total energy made available in Canada to 7,295,561 megawatt hours from 6,681,917. Of the total made available some 340,262 megawatt hours were for use in electric boilers compared to 216,887 a year ago.

Net generation was greater in July this year than last in all provinces except Onta-

rio. Total in the Yukon and Northwest Territories was also larger. Totals were: Quebec, 3,494,378 megawatt hours (2,827,279 a year earlier); Ontario, 2,288,643 (2,581,238); British Columbia, 934,391 (800,829); Manitoba, 236,910 (236,681); Alberta, 199,373 (178,967); Saskatchewan, 144,392 (130,649); New Brunswick, 126,212 (112,759); Nova Scotia, 121,062 (115,317); Newfoundland, 109,853 (110,394); the Yukon and Northwest Territories, 11,660 (10,489); and Prince Edward Island, 4,941 (4,472).

PRESENTATION OF CREDENTIALS

His Excellency Cadambi Seshachar Venkatachar presented to the Deputy Governor General, The Honourable Robert Taschereau, his Credentials as High Commissioner of India to Canada, September 12. The ceremony took place at the Supreme Court of Canada.

Mr. Venkatachar was born in 1899 and was educated at Presidency College, Madras; University College, London and at Trinity College, Cambridge. He became Prime Minister of the former Princely State of Jodhpur and later of Bikaner. In April 1951 he became Secretary to the Ministry of States. Prior to his appointment in Ottawa, he was Secretary to the President of India.

COMMITTEE ON DEFENCE SCIENCE

A group of six senior defence scientists and Service officers, lead by Dr. J.E. Keyston, Vice Chairman of the Defence Research Board, will attend meetings of the Commonwealth Advisory Committee on Defence Science to be held October 6-28 in Australia. They will present papers embracing a number of important defence scientific fields.

The object of the Committee is to promote correlation throughout the Commonwealth in the application of science to military affairs. The meetings are held at intervals of approximately three years with the last taking place in Canada in February, 1956. Senior defence scientists and senior officers of the Armed Forces of the Commonwealth attend the meetings.

Delegates will visit Sydney, Canberra, Melbourne and Adelaide and opportunities are being arranged for tours of Australian research establishments. The visitors will also inspect the Snowy River Hydro Electric Scheme, one of Australia's largest and most impressive developments.