



CANADA

# CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION · DEPARTMENT OF EXTERNAL AFFAIRS · OTTAWA, CANADA

August 5, 1959

## CONTENTS

Agreement Entered into Force .....	4
Vehicle Border Crossings .....	4
The Queen's Farewell to Canada .....	5
Commonwealth Education Conference .....	5
INCO Fellowship .....	6
Seaway Cargo Movement .....	6
New Appointments .....	6

Vol. 14 No. 31

North Shore of the St. Lawrence:	
Gateway to the Interior .....	1
Industrial Employment Index .....	2
Financial Standing .....	3
Telecommunication Services .....	3
NATO Research Grants .....	3
Exports Increase Sharply .....	4
Arctic-Bound Ships .....	4

## NORTH SHORE OF THE ST. LAWRENCE: GATEWAY TO THE INTERIOR

Along the north shore of the St. Lawrence, from the mouth of the Saguenay River to Blanc Sablon at the western entrance to the straits of Belle Isle, lies an area commonly known as the "North Shore."

The Bank of Nova Scotia *Monthly Review* points out that for many years this region remained dependent on a few industries and its growth was slow and limited. The fur-trading posts came first, then small fishing communities scattered along the river, and at the turn of the century a start was made on utilizing the forest resources. After the pulp mill was established at Clarke City in 1908 and the newsprint mill at Baie Comeau in 1937, the forest industry, along with fishing, became the mainstay of the economy. But important as the forest industry is to the area, it does not support a large population, particularly as much of the pulpwood is shipped to other centres and the demand for seasonal labour is met to a considerable extent from communities on the south shore of the River.

### SIGNIFICANT DEVELOPMENTS

In the last ten to fifteen years, however, as much of the activity connected with the development in the interior has been channelled through it, the North Shore has been moving ahead, its population expanding and its economy becoming more diversified. Not only is it the terminus of transportation facilities to the north, but other significant develop-

ments have also been making their influence felt.

From a small fishing village of a few hundred inhabitants, Sept Iles has been transformed into a busy port, with a population now of over 10,000. With its airport and its railway link to the north, it has become a jumping-off point for exploration into the interior and promises to become an even busier port as the new mines in the Wabush Lake area come into operation in the 1960's. Another urban community is taking shape at Port Cartier to the west, which will probably absorb the small nearby village of Shelter Bay. The newsprint town of Baie Comeau has also boomed with the coming of the new major industry, aluminum, in the past few years. Nearby Hauterive has changed from a small colonization community, whose settlers supplemented income from small farms with work at the mill or in the woods, to a residential area for the workers in the aluminum smelter. The population of Baie Comeau and Hauterive, around 4,000 in 1951, had risen by 1958 to over 10,000.

Most of the recent growth has taken place in the central sector from Forestville, the supply port for the Bersimis project, to Sept Iles. To the west lies an area of pioneer farming and logging; to the east the main activity is fishing. However, in the eastern sector exploitation of the ilmenite deposits at Allard Lake, one of the largest

(Over)



known reserves of ilmenite in the world, has been proceeding since 1950. A 28-mile railway connects the mine with Havre St. Pierre, and from there the ore is transported to Sorel, where it is smelted in electric furnaces, yielding a titanium-rich slag and pig iron.

#### TRANSPORTATION LINK

With the opening of the Seaway this year, the St. Lawrence River becomes an even more important transportation link for the North Shore and the mining projects in the interior. Lacking railway connections with other centres, and with the road along the shore completed only as far as Baie Comeau (though it is now being pushed through to Sept Iles), the area depends on the river for transportation to the outside world, particularly for such bulk commodities as iron ore, aluminum and newsprint. Aircraft have, of course, played an important role in exploration and development. The opening up of the mines at Knob Lake, for instance, and the building of the railway north involved an airlift operation of impressive proportions.

The prospect of large-scale shipments of iron ore from Ungava-Labrador was one of the major considerations in the decision to build the Seaway. As production increases the Seaway will provide an economical and efficient shipping route to the Great Lakes ports while, in turn, the tolls from iron ore will contribute substantially to paying for the Seaway. It is, of course, too soon to say how the costs of shipping ore via the Seaway will compare with those of other routes--to U.S. Atlantic ports and then by rail inland, or by rail from the trans-shipment point at Contrecoeur near Montreal. It is expected, however, that a large share of the iron ore will move through the Seaway.

Not only the westward movement of iron ore through the Seaway is exciting attention, but also the prospective development of the North Shore as a trans-shipment point for grain moving overseas. A small beginning is the large grain elevator being built at Baie Comeau, where grain brought down from the head of the Great Lakes will be transferred to ocean-going vessels.

#### YEAR-ROUND SHIPPING

The prospect of a rapid growth in shipments from North Shore ports, much of it in bulk commodities requiring extensive storage facilities, has led to a rising interest in year-round shipping. At present, shipping is chiefly confined to eight months of the year, though newsprint has been shipped from Baie Comeau as late as February, and small supply-ships have been operating from Quebec City to the North Shore ports during the past two winters.

More extensive plans for winter shipment with the aid of ice-breakers and aerial ice-patrols are under investigation. The ports can

probably be kept open during the winter without too much trouble; although vast patches of thin, floating ice usually cover much of the Gulf, there are large areas of open water especially near the North Shore. However, in the late winter, the Cabot Strait is often choked up for a time with pack ice coming down from the Labrador coast. Despite the difficulties of winter shipping, it seems clear that as the volume of bulk commodities increases measures necessary to lengthen the shipping season will be taken.

At Sept Iles the need for winter shipping will become greater as the Wabush Lake projects come into operation. At present, mining stops during the winter months at Knob Lake, mainly because the ore freezes in transit and cannot be removed from the freight cars. Freezing is not, however, expected to be a problem with the concentrate from Wabush Lake; in fact, at Port Cartier the proposed plans include year-round shipments of concentrate.

\* \* \* \*

#### INDUSTRIAL EMPLOYMENT INDEX

Canada's industrial employment index rose 3.1 per cent between April and May this year to 119.3 (1949=100) from 115.7 and was 0.5 per cent above last year's May index of 118.7, the Dominion Bureau of Statistics reports. Weekly wages and salaries averaged \$73.93, up from \$73.26 a month earlier and \$70.76 a year ago. Composite payroll index reached 206.1 in May, 4 per cent above the April figure and 5 per cent greater than the May 1958 figure.

All industrial divisions and all provinces recorded increased employment between April and May, seasonal influences being the main factors in most of these changes. Employment in manufacturing rose a little more than seasonally, while the increase in highways, bridges and street construction was somewhat smaller than usual.

Provincial employment indexes for May were as follows: Newfoundland, 117.6 (107.2 in April); Prince Edward Island, 127.4 (108.7); Nova Scotia, 95.9 (94.0); New Brunswick, 97.4 (91.2); Quebec, 117.5 (113.7); Ontario, 121.1 (118.5); Manitoba, 111.5 (107.6); Saskatchewan, 132.9 (124.0); Alberta, 153.9 (146.2); and British Columbia, 117.6 (114.5).

Industrial indexes for May were: forestry (chiefly logging), 61.2 (42.6 in April); mining, 123.3 (120.6); manufacturing, 111.5 (109.5); durable goods manufacturing, 117.7 (114.9); non-durable goods manufacturing, 106.3 (104.8); construction, 131.6 (120.1); transportation, storage and communication, 116.0 (112.3); public utility operation, 139.7 (135.8); trade, 133.1 (131.5); finance, insurance and real estate, 151.8 (151.5); and service (mainly hotels, restaurants, laundries, dry cleaning plants, business and recreational services), 138.4 (134.5).



## 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.

\* \* \* \*

## 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".

\* \* \* \*

## 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,

(Over)



and supported administratively by the office of the NATO Science Adviser. The progress and administration of the programme will be examined annually in the Science Committee and periodic reports will be submitted to the Council and Member Governments. The results of research encouraged under this programme will be made available to all member countries.

The costs of the programme will be shared in accordance with the normal NATO budget-sharing formula under which Canada will contribute \$58,000.

Canada's contribution will be in addition to its participation in the NATO Science Fellowship Programme and in the Programme for Advanced Studies Institutes which were introduced last fall upon the recommendation of the Science Committee.

\*\*\*\*\*

### EXPORTS INCREASE SHARPLY

Canada's commodity exports to all countries reached an all-time monthly peak in June, according to advance figures released by the Dominion Bureau of Statistics. The month's value was \$519,900,000 versus \$428,500,000 in the corresponding month last year, bringing the January-June value to \$2,416,700,000 versus \$2,381,300,000 in the first half of 1958.

Accounting for a large part of the month's increase, exports to the United States rose in June to \$321,100,000 from \$233,600,000 in the corresponding month last year, bringing the half-year total to \$1,507,300,000 versus \$1,368,900,000. Exports to the United Kingdom showed a small decrease in June to \$76,800,000 from \$78,400,000 a year earlier and in the six-month period to \$365,100,000 from \$369,700,000.

Exports to the rest of the Commonwealth increased in June to \$28,100,000 from \$26,200,000 in the corresponding month last year, while January-June shipments declined to \$134,000,000 from \$155,600,000. Shipments to all other foreign countries rose in June to \$93,900,000 from \$90,300,000 a year earlier, while six-month exports fell to \$410,300,000 from \$487,100,000.

\*\*\*\*\*

### ARCTIC-BOUND SHIPS

Inspection of a fleet of eight Arctic-bound ships in Montreal harbour, by Mr. George Hees, Minister of Transport, recently marked the start of one of the major undertakings in the Department's visit Arctic supply programme for 1959.

In the holds and tanks of the vessels were more than 20,000 tons of general cargo, fuel and diesel oil, and aviation gasoline destined for the Joint Canadian-U.S. Arctic Weather Stations on the remote Arctic Islands, and the DEW Line sites on the east coast of Baffin Island;

The tonnage represents about one-quarter of the total cargo that will be delivered into Arctic and sub-Arctic regions by the Transport Department this year to establish an all-time record. Still to be shipped are about 60,000 tons of supplies going to Hudson Bay and Hudson Strait trading posts and Eskimo communities, as well as for Mid-Canada Line sites on Hudson Bay, DEW Line sites on Foxe Basin, and Frobisher, Canada's new "Hub of the Arctic."

The entire 1959 supply task will require a fleet of 13 Departmental vessels, including icebreakers and special supply ships; 20 chartered freighters and tankers; and more than 130 landing craft for use where there are no docking facilities. About 1,000 personnel will be required to handle the unloading.

\*\*\*\*\*

### AGREEMENT ENTERED INTO FORCE

Through an exchange of diplomatic notes, the Agreement between the Government of Canada and the Government of the United States for co-operation on the uses of atomic energy for mutual defence purposes went into effect on July 27.

The Agreement was signed on May 22, and was tabled in the House of Commons by the Prime Minister, Mr. Diefenbaker, on May 25. The delay between signature and the entering into force of the Agreement results from the requirement of the United States Atomic Energy Act that there be a waiting period of sixty days before such agreements become effective.

The Agreement will continue and extend the harmonious co-operation in the atomic energy field which has existed for many years between Canada and the United States.

\*\*\*\*\*

### VEHICLE BORDER CROSSINGS

Traffic entering Canada from the United States rose 1.8 per cent in June to 1,792,200 vehicles from 1,760,200 a year earlier, leaving January-June entries slightly below a year ago at 7,540,700 vehicles versus 7,547,200.

Entries of foreign vehicles in June climbed to 994,200 from 970,200 and returning Canadian vehicles to 798,000 from 790,000. Half-year entries of foreign vehicles dropped to 3,616,900 from 3,688,300, while returning Canadian vehicles increased to 3,923,800 from 3,857,900.

Travellers entering Canada by rail, through bus, boat and plane in May increased to 231,400 from 220,500 a year earlier, making the January-May total 4.8 per cent larger than a year ago at 871,400 versus 831,700. Month's entries by foreign travellers rose to 120,900 from 115,500 and returning Canadians to 110,500 from 105,000. Five-month entries of foreign travellers using these means of transportation climbed to 365,200 from 357,500 and returning Canadians to 506,300 from 474,200.



## THE QUEEN'S FAREWELL TO CANADA

On July 28, after a three-day holiday at the country home of Canada's Governor-General, the Queen and Prince Philip left Ontario for New Brunswick on the last stage of their 45-day tour of Canada. The Queen's airplane left Trenton fifteen minutes late, delayed by the crowds of people who had lined the route to bid the Queen farewell.

Throughout the tour of the Maritime Provinces, royal weather--scorching sun and benevolent skies--followed the Queen and her entourage. At Fredericton, a city which became in the 1790's a haven for United Empire Loyalists who left the United States after the American Revolution and is now the capital of New Brunswick, Her Majesty took the salute from a guard of honour of the Black Watch Regiment.

The visit through the three Maritime provinces was marked by informality, friendliness and a leisurely pace. On July 29 the Queen left Fredericton for a three-hour drive through New Brunswick's forests and rocky hills to St. John, where she was greeted by the people of the city in a holiday mood. A short flight by jet aircraft took Her Majesty and Prince Philip to Moncton, where they were received by the mayor after their three-hour drive through cheering crowds.

A sombre note in the Royal Tour was struck for the first time at Shediac, New Brunswick, where the Queen talked with the widows and children of the 35 fishermen who were drowned on June 19 in one of the worst storms ever to hit New Brunswick's Northumberland Straits.

On July 30, the Queen left New Brunswick for Charlottetown, the capital of Prince Edward Island. It was at Charlottetown that delegates from most of the British North American colonies met in 1865 to discuss a projected confederation of British North America, an idea of which led in 1867 to the creation of the Dominion of Canada. During

day-long stay in Prince Edward Island, which Jacques Cartier once called "the low and beautiful land", Her Majesty and the Duke of Edinburgh visited a nearby farm (where Prince Philip discussed coin collecting with the son of the house) and watched harness-racing at Charlottetown's driving park.

The Queen arrived in Nova Scotia by air on Friday, July 31. After brief stops at New Glasgow, Sydney and Shearwater, she arrived in Halifax for the last day of her stay in Canada. At a meeting of the Canadian Privy Council held in Halifax on Saturday morning, Her Majesty appointed Major-General George P. Vanier to succeed the Right Honourable Vincent Massey as Governor-General of Canada.

Later in the day the Queen presented her Colour to the Royal Canadian Navy at Garrison Grounds, under the shadow of historic Citadel Hill. Nearly 1,000 officers and men of the Navy's Atlantic Command took part in the ceremony, which was preceded by a trooping of the old Colour for the last time.

That evening the Queen and Prince Philip were received by the Governor-General, the Prime Minister of Canada and the Premier of Nova Scotia at a state dinner given by the Prime Minister on behalf of Her Majesty's Government in Canada. In response to a short speech by Prime Minister Diefenbaker, the Queen delivered her farewell address to the nation. Her six weeks in Canada, Her Majesty said, had been strenuous but always intensely interesting.

"Although we say goodbye to you tonight", she concluded, "and although we shall be separated by the North Atlantic tomorrow morning, Canada will continue to remain close in my thoughts and I shall always follow your progress with sympathy and understanding".

Thus ended Her Majesty's tour of Canada in 1959 which had taken her 16,000 miles from sea to sea and back again.

\* \* \* \* \*

## COMMONWEALTH EDUCATION CONFERENCE

The Department of External Affairs has issued the following announcement on the successful conclusion of the Commonwealth Education Conference which met at Oxford, England from July 15 to 29.

The Canadian Delegation has reported from Oxford that the Conference was highly successful and that it had agreed to adopt a Commonwealth Scholarship Scheme on the lines proposed by Canada. As agreed at Oxford, the scheme will have an objective of 1,000 scholarships at any one time of which Canada will provide 250.

Conference discussions on the supply and training of teachers centered on the shortage of adequate facilities in all Commonwealth

countries and particularly in the less-developed areas. In the light of the discussions at Oxford, the Canadian Delegation announced that under existing technical assistance programmes Canada would make available about \$3 million over the next five years to train teachers from other Commonwealth countries in Canada and to send to those countries qualified individual Canadian teachers or teams of teachers to assist with the establishment or extension of teacher training institutions. This announcement, together with the earlier announcement made jointly by the leaders of the Canadian and Indian Delegations that Canada and India had agreed to devote the equivalent of about \$10 million in counterpart funds to the development of higher technological and polytechnic schools in India re-

(Over)



flects the keen interest taken by Canada in the development of teacher training facilities and the provision of adequate technical education institutions in Commonwealth countries. Both these indications that Canada is prepared to provide increased assistance for these purposes were extremely well received at the Conference.

The extension of the arrangements for training teachers in Canada and abroad will, of course, be undertaken as part of Canada's existing technical assistance programme to which the Provincial Departments of Education have made a most valuable contribution.

The idea of a Commonwealth Education Conference held at Montreal in 1958 when Canada proposed that in addition to the exchanges of teachers and students between Commonwealth countries which took place under the Technical Assistance Programme of the Colombo Plan, there should be exchanges at a high educational level to encompass the natural and social sciences, law and other academic disciplines not normally covered by technical assistance. It was agreed at Montreal that a conference should be held this year in the United Kingdom to formulate the scope and detailed arrangements for a reciprocal scholarship scheme and to review the existing arrangements for Commonwealth co-operation in all fields of education, particularly with respect to the supply and training of teachers and facilities for technical and scientific education which were known to be of particular concern to the under-developed countries and territories of the Commonwealth.

The Canadian Delegation at Oxford was headed by Mr. George Drew, Canadian High Commissioner in London and included Government officials and representatives of Canadian universities and other educational institutions and organizations located in B.C., the Prairie Provinces, Central Canada and The Maritimes.

\*\*\*\*

### INCO FELLOWSHIP

The establishment of a fellowship to honour the visit of Her Majesty, the Queen, and His Royal Highness, Prince Philip, Duke of Edinburgh, to the nickel mines in the Sudbury area, was announced on July 25 by The International Nickel Company of Canada, Limited, and The Canada Council. Her Majesty and His Royal Highness went underground to view operations in Inco's Froid Mine which Her Majesty's Royal Parents visited a little more than 20 years ago, in June 1939.

By gracious permission of the Queen, the fellowship being established will be called "The Queen Elizabeth II Fellowship (The International Nickel Company of Canada, Limited, Royal Tour, 1959)." The purpose is to enable

the successful candidate to follow an original line of research in the earth sciences. It will be a post-doctoral fellowship tenable for two years. The International Nickel Company of Canada, Limited, has deposited with The Canada Council a total of \$15,000 and the Council will supervise all arrangements for the fellowship. The selection of the fellow will be made by a special committee appointed by The National Conference of Canadian Universities and Colleges.

\*\*\*\*

### SEAWAY CARGO MOVEMENT

During June 2,787,000 tons of cargo were carried through the St. Lawrence River canals, according to preliminary traffic statistics issued by the Canadian and United States Seaway authorities. An increase of 69 per cent was shown over the cargo movement through the old St. Lawrence River canals in June 1958.

To the end of June 1959, the cumulative total was 5,431,000 tons, which showed an increase over the corresponding period last year of 45 per cent. The division of the traffic to date this year was 89 per cent bulk and 11 per cent general cargo.

### WELLAND CANAL

Cargo movement through the Welland Canal in June totalled 3,977,000 tons and increased 37 per cent over the figures for June last year. To June 30 the cumulative total was, in round figures, 8,000,000 tons, compared to 7,000,000 tons in 1958, the increase being 15 per cent. Here the division of the traffic was 93 per cent bulk and 7 per cent general cargo.

### NEW APPOINTMENTS

The Secretary of State for External Affairs, Mr. Howard Green, has announced the following appointments in the Canadian Diplomatic Service:

Mr. J. A. Chapdelaine, as Ambassador Extraordinary and Plenipotentiary of Canada to Brazil to succeed Mr. W. Arthur Irwin, whose next posting will be announced later. Mr. Chapdelaine returned recently to Canada from Stockholm where he was Canadian Ambassador to Sweden and Minister to Finland. Mr. Chapdelaine will take up his duties in Rio de Janeiro shortly.

Mr. A. E. Ritchie, at present Minister in the Canadian Embassy in Washington, as Assistant Under-Secretary of State for External Affairs to replace Mr. D. V. LePan who recently took up an appointment at Queens University. It is expected that Mr. Ritchie will take up his new duties some time in September.