



CANADA

CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION · DEPARTMENT OF EXTERNAL AFFAIRS · OTTAWA, CANADA

November 18, 1959

Vol. 14 No. 46

CONTENTS

Joint Defence Body Reports	1	Balance of Payments - 1958	4
St. Croix Waters	2	University Salaries - 1959-60	5
Education for Surveyors	2	German Experts in Ottawa	6
Guthrie to Return	3	Consumer Index	6
Air Force Host to Tycoons	3	U.K. - Canada Atomic Talks	6
Seed Cone Harvest	4		

JOINT DEFENCE BODY REPORTS

The Canada-United States Ministerial Committee on Joint Defence held its second meeting at Camp David, Maryland, on November 8 and 9. The Canadian representatives were the Secretary of State for External Affairs, Mr. Howard Green, the Minister of Finance, Mr. Donald Fleming, the Minister of National Defence, Mr. George R. Pearkes, and the Minister of Defence Production, Mr. Raymond J. O'Hurley. Representing the United States were Mr. Christian A. Herter, Secretary of State, Mr. Neil McElroy, Secretary of Defence, and Mr. Fred C. Scribner, Under-Secretary of the Treasury. Senior officials of both governments were also in attendance.

The Committee, created after discussions held in Ottawa between President Eisenhower and Prime Minister Diefenbaker during July and August 1958, was set up, according to a communiqué issued on November 9, "to consult periodically on all matters affecting the joint defence of Canada and the United States." The Committee was intended to concern itself, at the ministerial level, with the political and economic aspects of defence as well as the military aspect.

The communiqué already mentioned described the Camp David discussions as follows:

"...The Ministers discussed current international developments and examined the significance of these developments for Canadian and United States defence plans. In so doing they recalled their governments' obligations, under

the United Nations Charter and the North Atlantic Treaty, for the maintenance of International Peace and Security.

"They discussed in general terms the strategic implications of modern weapon development and the problems created by the mounting costs of modern defence facilities and weapons.

"Ministers reviewed the prospects for disarmament. They were agreed that every effort should be continued to explore the possibilities of a world-wide agreement on an effective system of controlled disarmament. They were further agreed that meanwhile there should be no relaxation of defensive measures and arrangements.

"Special consideration was given to the continued need for co-operative defence arrangements in North America designed to contribute to the greater strength of collective security within the broader framework of NATO. In the latter connection, the Ministers reaffirmed their common desire and intention further to strengthen consultation in the North Atlantic Council generally and in particular with respect to preparations for forthcoming negotiations with the U.S.S.R.. Ministers also reaffirmed their support for the principles of defence production sharing between the two countries. Progress was reviewed and it was agreed that renewed efforts would be made to assure even more fruitful co-operation in this respect in the future.

"Finally, the Ministers reviewed the machi-

(Over)

nery for consultation on defence matters which exists between the two countries and considered it satisfactory. Both countries welcomed the opportunity presented by the Committee's Meeting for ministerial consultation on broad lines of policy and agreed to meet again in Canada by mid-1960."

* * * *

ST. CROIX WATERS

The Department of External Affairs has announced that on October 13, 1959, the International Joint Commission submitted its final report on the St. Croix River Reference (1955) to the Governments of Canada and the United States. The St. Croix forms part of the boundary between the Province of New Brunswick and the State of Maine.

On June 10, 1955, in accordance with Article IX of the Boundary Waters Treaty, the two Governments requested the Commission to investigate and report on whether greater use than was being made of the waters of the St. Croix Basin was feasible and advantageous.

In brief, the Commission made the following recommendations:

(1) That the Commission be authorized to distribute its Report together with supporting data to interested persons.

(2) That the Governments of the United States and Canada concur in the following:

(a) Adoption by the Commission and its International St. Croix River Board of Control of 434.94 ft. M.S.L. and 385.80 ft. M.S.L. as the maximum water elevations to be permitted at the dams at Forest City and Vanceboro, respectively, once the Commission has determined that the owners of said dams have appropriate flowage rights covering all affected lakeshore property.

(b) Adoption by the Commission and its Board of Control of a requirement that the owners of these dams make available to the Commission continuous records of water elevations on East Grand and Spednik Lakes.

(3) That an international gauging station be installed downstream from the dam at Woodland.

(4) That the "objectives for boundary waters quality control" contained in the Commission's 1950 Report on the Pollution of Boundary Waters be adopted by the Canadian, United States, New Brunswick and Maine Governments as the criteria to be met in maintaining the boundary waters of the St. Croix Basin.

(5) That those responsible for the pollution be required to take remedial measures known to be necessary to meet the "objectives for boundary waters quality control".

(6) That the Commission be authorized to establish and maintain continuing supervision over boundary waters pollution in

the St. Croix through a Technical Advisory Board appointed by the Commission which would notify those responsible for any objectionable pollution and, if necessary, make recommendations to the appropriate authorities as to the further action deemed desirable.

(7) That the Commission be authorized to review the possibility of restoring anadromous fish runs in the St. Croix Basin when water quality conditions improve and that all new construction or redevelopment or dams in the St. Croix should include or make provision for fish-passing facilities.

(8) That the Commission be authorized to continue studies of the possibilities of further water resources development in the Basin.

(9) That redevelopment of the Milltown site be carried out by Canadian interests in order to achieve a more equitable allocation between the two countries of power resources in the Basin; this without prejudice to any mutually satisfactory arrangement which may be made by Canadian and United States interests. Plans for redevelopment of the Milltown site shall include provision for suitable dykes and canals for the protection of Bam Meadows and Magurrewock Marshes.

* * * *

EDUCATION FOR SURVEYORS

Canada's surveyors must raise their educational standards if they are to keep pace with today's revolution in survey science and maintain their professional status. And they feel that Canadian universities should seriously consider giving more emphasis to surveying.

This was the consensus of the 70 delegates attending a recent colloquium on survey education in Ottawa. The gathering, called by the Canadian Institute of Surveying in conjunction with the Department of Mines and Technical Surveys and the National Research Council, studied the serious lack of adequately-trained surveyors, at a time when they are vitally needed in the development of Canada's resources, particularly in the north.

The delegates came from federal and provincial governments, survey associations, industry, and from Canadian, United States and English universities.

"In the last 50 years surveying has undergone a revolution and become a science with new techniques and new instruments", said Armand Dumas, Q.L.S., President of the Institute and M.P. for Villeneuve, Quebec. "We now need a Moses to lead us out of the wilderness so we are throwing out a challenge to our universities to help us, and we are sure they will take it up."

Speaking on the great need for adequately trained surveyors to carry out the mapping so

necessary to national development, Dr. van Steenburgh, Director-General of Scientific Services, Department of Mines and Technical Surveys, pointed out that, because of the difficulty of recruiting such staff, the Department, as the federal mapping agency, has to devote "a very considerable amount of time to on-the-job training. Even the civil engineer graduates go through a form of apprenticeship before being charged with the responsibility of heading up field parties."

A comparison of the surveyor of yesteryear and of today was made by Dr. L.E. Howlett, Director of the Division of Applied Science, National Research Council.

"Fifty years ago, a man with a tape, theodolite, level, staff, compass and a few other odds and ends could with justice call himself a surveyor if he combined with these a modicum of mathematics and a smattering of local law. Today, surveying has swept far beyond this, and the surveyor must be a professionally trained man with vision, and he must possess a fundamental knowledge and understanding of new scientific instruments and techniques."

* * * * *

GUTHRIE TO RETURN

Tyrone Guthrie will return to Stratford for the 1960 season, Michael Langham, artistic director of the Stratford Shakespearean Festival, announced recently.

According to present plans, Dr. Guthrie will direct one play in the Festival Theatre and probably an operetta in the Avon Theatre during the music festival, Mr. Langham said.

Dr. Guthrie, the festival's first artistic director, was last represented at Stratford in 1957 with a production of "Twelfth Night." Negotiations for his participation in the 1960 season were carried out by Mr. Langham in New York, where Dr. Guthrie has just staged Paddy Chayefsky's "The Tenth Man" at the Booth Theatre. This play, with Canadian actors Donald Harron and Lou Jacobi in leading roles, has become one of the hits of the Broadway season.

The 1960 Festival season, featuring drama, music and films, will open on June 27 and run through Sept. 17.

* * * * *

AIR FORCE HOST TO TYCOONS

Top Canadian business executives attending the annual general meeting of the Canadian Industrial Preparedness Association in Ottawa visited the RCAF Station at Rockcliffe on November 9.

The group of more than 150 attended a tri-service briefing on developments in military equipment and were shown some of the latest ground, sea, and air weapons designed for the Canadian defence system. Items on display

included an RCN Tracker aircraft, newly-developed vehicles, the "Rat" and "Bobcat", an army counter-mortar radar, an RCAF Argus anti-submarine aircraft, and other RCAF vehicles.

* * * * *

EMERGENCY HEALTH SERVICES

Approximately 100 representatives from across Canada met at the Canadian Civil Defence College, Arnprior, Ontario, from November 16 to 18, to study the health implications of recent changes in emergency and civil defence organization and planning. Senior representatives of provincial departments of health, Civil Defence Health Services personnel, delegates from national organizations and agencies such as the Canadian Medical Association, the Canadian Dental Association, the Canadian Red Cross, St. John Ambulance and other government departments such as the Department of National Defence were among those attending.

As a result of an Order-in-Council passed in May 1959, the Government of Canada directed that the Department of National Health and Welfare was to assist provinces and municipalities in the organization, preparation and operation of medical, nursing, hospital and public health services in an emergency. The conference was held for discussion of certain proposals in this field. It also considered the work of health services beyond the responsibilities of civil defence and included the continuation of these essential services under prolonged emergency conditions.

Besides reviewing the new conception of Canadian civil emergency planning and the role of the Armed Forces Medical Service in survival operations, those attending the conference considered the public health aspects of emergency health services, medical and hospital services, emergency blood services, nursing and health supplies and training of pharmacists.

* * * * *

FAIRYLAND AT CHILDREN'S ZOO

A sojourn in a land of fantasy awaits visitors to Edmonton at Storyland Valley, a five-acre, \$500,000 children's zoo opened in 1959.

A storybook theme is used throughout, with many nursery rhymes and fairy tales depicted in over-size plastic balloon-type models. Included among these are Cinderella, Humpty Dumpty, The Three Little Pigs, Mother Goose and the Old Woman's Shoe. The Three Men in a Tub rock back and forth in the centre of one of the three lagoons. To one side, the Owl and the Pussycat continue their search for the land where the bong-tree grows. A model of Noah's Ark is a popular attraction, as is a tiger-shark whose open jaws display a tropical

(Over)

fish aquarium. Three model frogs on the Old Mill Pool silently croak their way into visiting children's hearts.

Scattered throughout the site are a number of street lights in the guise of fruit and flower trees and toadstools. A public telephone booth is in the shape of a bass-viol.

The major feature at the zoo is the Edmonton Little Western Railroad, which takes its passengers on a quarter-mile tour of the grounds. Powered by a four-cylinder gasoline engine, the miniature train is complete with whistle and bell.

Animals at the zoo include penguins, monkeys, llamas, deer, moose, sheep, bears, mountain goats, beaver, racoons, domestic farm animals, and "de-odorized" skunks. Numerous species of native and tropical birds are also on display.

The zoo, surrounded by a frontier style stockade, boasts a main entrance built like a medieval castle. A moat-like effect is provided by ponds of water at the entrance.

* * * *

SEED CONE HARVEST

Private timber operators and the Alberta Department of Lands and Forests have co-operated this fall in harvesting some 1,000 bushels of white-spruce seed cones. This marked the first large-scale harvest of spruce seed in Alberta, to be used in coming years for artificial reforestation.

Harvesting was done during September in each of Alberta's ten forest divisions and reserves. Weeks of organization preceded the operations, to ensure that cones would be gathered at the right stage of seed maturity. Crews of pickers, Indians, settlers, and logging-camp workers were recruited locally in each division. The Alberta Forest Service paid the pickers \$3.75 a bushel for cones. Some workers gathered as many as four bushels a day.

Timber-berth operators co-operated by arranging pre-season cutting on their license areas. Seed trees were chosen by Forest Service personnel. Only the largest, healthiest trees were selected. Fallers worked with chain saws, and after cutting down a tree usually limbed it and carried cone-laden branches to clearings for easy access by the pickers. The logs will be taken out this winter by berth operators and manufactured.

Harvest cones were cured at Forest Service headquarters. Later they will be shipped to the Provincial Tree Nursery at Oliver for seed extraction and temporary storage. Seed from each collection area will be kept separate for future use in that area.

The white-spruce cone crop was particularly good in Alberta this year. Some of the larger trees produced up to three bushels of cones. The last year of fair seed production occurred in 1954. Cones from some coniferous species,

such as pine, hold their seed for years but spruce cones open and seed scatters within a week of reaching maturity. This peculiarity necessitates that harvesting be done in the short period when seeds have ripened but the cone has not yet opened.

Another major project associated with white spruce reforestation was initiated this year by Forest Service personnel. It involves scarification or working of the soil. This year the work was done in partially-cut spruce stands. The department scarified over 1,000 acres this fall, ranging from about 50 to 300 acres in each forest division. Four types of machines, one of them from a foreign model entirely new to Alberta, were used to meet varying soil and brush conditions.

Forest Service personnel are hopeful that the scarification will provide a suitable seed bed for reception of this year's good seed production. White spruce regeneration is largely dependent on climatic and soil conditions immediately after the seed drops in the fall and again in the following spring.

Results of this year's soil scarification programme will be closely observed in the next few years. Forestry personnel are also working on plans for a combined scarifier-seeder to be used in areas where artificial seeding may be required.

* * * *

BALANCE OF PAYMENTS - 1958

"The Canadian Balance of International Payments 1958 and International Investment Position", a report recently issued by the Dominion Bureau of Statistics, provides detailed statistics over a period of years on Canada's commercial and financial transactions with other countries. The leading features of the Canadian balance of payments are presented, together with the effects of heavy inflows of capital during the past decade upon Canada's international indebtedness position. Outstanding features are the size of deficits on current international account and the sources of these.

In 1958, the current account deficit from transactions in goods and services with other countries amounted to \$1,085 million. Of this sum, \$170 million originated in merchandise trade; the remaining \$915 million was due to other groups of current transactions. In 1957, merchandise accounted for \$579 million of the deficit of \$1,424 million, while other transactions were responsible for a deficit of \$845 million.

NON-MERCHANDISE TRANSACTIONS

The growth in the deficit from transactions other than merchandise trade has been under way for a number of years and originates from a variety of groups of transactions between Canada and other countries. About one-half of the recent deficit can be traced to trans-

actions directly rising from Canada's growing indebtedness to other countries. Interest and dividends paid to non-resident investors at \$586 million in 1958 were at about the same level as in 1957 and much higher than in any earlier year. After allowing for receipts by Canadians from investments abroad, net payments of interest and dividends amounted to \$420 million, which were also higher than in any year before 1957.

In addition, there were net miscellaneous income remittances of \$16 million and payments by foreign-controlled subsidiaries to home offices for head office expenses and other business services well in excess of \$100 million. Other parts of the deficit arise from the travel of Canadians abroad, payments for freight and shipping, personal remittances, migrants' transfers, other business services, official contributions, and other expenditures by the Canadian Government abroad.

The rise in payments to other countries for services has been widely distributed internationally. In the decade between 1949 and 1958 net payments for non-merchandise transactions have risen from \$116 million to \$915 million. A little less than one-half of this rise has occurred in transactions with the United States, which rose from net payments of \$223 million in 1949 to \$606 million in 1958. With overseas countries there has been a rise in net payments of \$416 million during the same period, from a surplus of \$107 million to a deficit of \$309 million. Contributing to the rising deficit with overseas countries have been higher payments on most accounts, including travel, transportation, interest and dividends, military expenditures, personal remittances, official contributions, and business services. Growing contacts between Canada and the United Kingdom and Western Europe, particularly in the spheres of personal and business relationships and defence, have all contributed to this rising level of Canadian payments.

The deficit of \$309 million from non-merchandise transactions with overseas countries was large enough to offset most of the export surplus of \$358 million from overseas merchandise trade in 1958. The resulting current surplus of only \$49 million with overseas countries contrasts with the large surplus which used to be typical of transactions with this group of countries.

RISING INDEBTEDNESS

Capital inflows in long-term forms for investment in Canada continued to be large enough in 1958 to finance the current deficit, although these were some 10 per cent less than in the previous year. The effects of these inflows and of earnings on non-resident investments retained in Canada were to raise the amount of long-term non-resident investments in Canada by 9 per cent to a new record of \$19.1 billion. This total is more than

twice the value of this group of investments in 1951. Since 1954 there has been a rise of \$6.6 billion, which amounts to over one-half of the value of non-resident investments in Canada in that year.

The principal source of the capital inflows has been the United States and investments owned in that country made up most of the rise and some 77 per cent of the accumulated total. At the same time, investments from the United Kingdom and other countries have also shown a sharp rise and are now greater in total than ever before.

FOREIGN CONTROL

A supplement to the report brings up to the end of 1957 ratios of foreign ownership and control of selected Canadian industries. New ratios available for the first time show the effects of the intense industrial expansion in 1956-57. In the two years non-resident investment in Canadian manufacturing industries rose from 47 per cent to half of the total, and the proportion controlled by non-residents from 52 per cent to 56 per cent. Non-resident ownership of the petroleum and natural gas industry rose slightly to 64 per cent, but control fell from 79 per cent to 76 per cent reflecting the expansion of Canadian-controlled elements in the natural gas industry. Non-resident ownership of mining rose over the two years to 56 per cent, and non-resident control rose from 57 per cent to 61 per cent.

When railways, other utilities, merchandising and construction are added to these industries, non-resident ownership in the group as a whole has risen in the two years by 3 points to 35 per cent. Between 1948 and 1955 the ratio had remained unchanged at 32 per cent, although there was increasing ownership of manufacturing, petroleum and mining, offset by decreasing ownership of the other categories. The ratio of non-resident control of these industries as a group also rose 3 points to 33 per cent. Although foreign ownership of these Canadian industries is now relatively somewhat smaller than thirty years ago, the proportion of them controlled by non-residents has almost doubled.

* * * *

UNIVERSITY SALARIES - 1959-60

Median salaries of full-time teaching staff at the four Canadian universities (British Columbia, Alberta, Toronto and McGill) with over 5,000 enrolment (if students at affiliated institutions are excluded) showed another marked increase for 1959-60 over earlier years, according to a Dominion Bureau of Statistics advance release. The 1959-60 median for deans was \$15,875 (up 28.3 per cent over 1956-57), for professors \$12,175 (39.6 per cent), for associate professors \$9,141 (35.9 per cent), for assistant professors \$7,251 (31.8 per cent), and for instructors and

lecturers \$5,502 (32.1 per cent). For all staff, including a small group of ungraded professors, the 1959-60 median was \$8,035, up 6.2 per cent over 1958-59, 16.3 per cent over 1957-58, and 29.5 per cent over 1956-57.

A more detailed analysis of salaries at these and thirteen other institutions will be available in two or three months in the DBS publication "Salaries and Qualifications of Teachers in Universities and Colleges, 1959-60."

* * * *

GERMAN EXPERTS IN OTTAWA

From October 28 to November 6, representatives of the German Ministry of Defence conferred in Ottawa with representatives of the Royal Canadian Air Force and the Department of Defence Production.

The German delegation was headed by Brigadier General J. Steinhoff, Chief of the Operations Division of the German Air Force.

The object of the meeting was to examine closely the Lockheed CF104 aircraft, which had been ordered for the Royal Canadian Air Force, and the Lockheed F104G, which had been ordered for the German Air Force. By this detailed examination, especially of the complex equipments to be installed, it has been possible to standardize many features, with resultant savings and the creation of more efficient methods with respect to mutual military, technical, industrial and economic aspects.

* * * *

CONSUMER INDEX

Canada's consumer price index advanced 0.7 per cent from 127.1 to 128.0 during September and October 1959. Although all five group indexes contributed to this current movement, a further seasonal increase of 1.5 per cent in foods accounted for most of it. Increases in the other four component groups averaged 0.3 per cent.

The rise in the food index from 122.4 to 124.2, as in the July-September period, was largely seasonal, and placed the October 1959 index less than 1 per cent above the October 1958 level. A sharp seasonal gain in egg prices, which normally occurs in late summer, combined with the usual seasonal price advances for fresh tomatoes and lettuce. Milk prices increased a cent a quart in some Ontario cities, to produce the first price change in this item in nearly two years. While potato prices were lower, they remained above October levels of recent years. Other fresh vegetables were off slightly, and beef and pork prices were steady.

A rise of 0.6 per cent in the clothing index from 109.8 to 110.5 reflected prices of new season's lines of women's and girls' winter coats and girls' snow suits, up from last season's year-end levels. Some small price increases occurred in other lines and footwear prices continued to edge upwards.

The household operation index increased 0.2 per cent from 123.1 to 123.4. Appliance prices were mixed as new models started to appear on the market. Refrigerators, electric stoves and irons were lower with washing machines and vacuum cleaners at somewhat higher levels. Price changes on furniture were attributable to prices rising from previous months' sale levels. Price increases also occurred on such household items as light bulbs, soap flakes, dishes and brooms. The "other" commodities and services index was up 0.2 per cent from 135.2 to 135.5, following slight scattered increases.

* * * *

U.K. - CANADA ATOMIC TALKS

Senior officials of the United Kingdom Atomic Energy Authority and of Atomic Energy of Canada Limited met in Chalk River from November 9 to 11, at the Seventh U.K. - Canada Technical Policy Conference.

These annual meetings are part of the continual close liaison and co-operation between atomic energy scientists and engineers in Canada and the U.K. The highlights of the previous year's work are discussed in full and frank opinions are expressed on the proposed future programme in both countries. Experiences are exchanged on the U.K.'s graphite moderated, gas-cooled power reactors and on Canada's heavy-water moderated systems. Of special interest at the recent conference was the U.K.'s work on the preliminary design of a steam-cooled, heavy-water reactor.

A.E.C.L. has two engineers working with the U.K.A.E.A.'s Industrial Group at Risley on this advanced reactor conception, and a liaison officer in London to maintain close contact with the U.K.A.E.A. In addition to a liaison officer at Chalk River, the U.K.A.E.A. has ten other U.K. staff members working there on various phases of joint programmes. Another U.K. engineer is working with the A.E.C.L. Nuclear Power Plant Division in Toronto.

The U.K. delegation of fourteen scientists and engineers visiting Chalk River was headed by Sir John Cockcroft, formerly Authority Member for Scientific Research but now a part-time Member and Master of Churchill College, Cambridge. Also in the group was Sir William Cook, the Authority Member for Development and Engineering.