



CANADA

# CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION • DEPARTMENT OF EXTERNAL AFFAIRS • OTTAWA, CANADA

Vol. 14 No. 14

April 8, 1959

## CONTENTS

Canada's Trade with the Commonwealth.....	1
Visit of NATO Defence College.....	3
Royal Tour 1959.....	3
NATO Anniversary.....	3
Trademark for Eskimo Carvings.....	3
New Appointment.....	4
NRC Scholarships.....	4

Tourist Lodge in Arctic.....	4
Travel Expenditures.....	4
Gross National Product.....	5
Award to Scientist.....	6
Students to West Indies.....	6
New University President.....	6

## CANADA'S TRADE WITH THE COMMONWEALTH

(An article by R.W. Blake, in *Foreign Trade*, March 28, 1959).

Canada's trade with the Commonwealth became increasingly important during 1958. Commonwealth countries took almost 22 per cent of total Canadian exports in that year compared with about 20 per cent in 1957, and they supplied us with about 14 per cent of our total imports compared with approximately 13 per cent last year.

Canadian exports to the Commonwealth area, including the United Kingdom, were valued at \$1,058.7 million in 1958, an increase of over \$88 million (9 per cent) compared with 1957. Nearly half of this increase, \$38.5 million, was in sales to the United Kingdom, but a substantial portion represented exports to other parts of the Commonwealth.

The products mainly responsible for this increase in trade with the Commonwealth countries covered a wide range and included wheat, barley and other cereals, flour, canned salmon, non-ferrous metals, chemicals and uranium. With the expected relaxation of import controls due to come into effect as a result of the Commonwealth Economic Conference, there are good prospects for a further rise in our trade with the Commonwealth during the present year.

Imports from Commonwealth countries in 1958 totalled approximately \$736.2 million, down \$24 million from last year. This decline, however, was small in comparison with the drop in total imports of \$427 million.

Although the value of imports from the Commonwealth was down about 3 per cent, the percentage share of Commonwealth suppliers in total imports rose by just over 1 per cent - which, incidentally, was the percentage drop in Canadian imports from the United States. The over-all balance of Commonwealth trade was in Canada's favour to the amount of \$322.5 million.

## TRADE WITH THE UNITED KINGDOM

Canada's trade with the United Kingdom improved during 1958 as both exports and imports rose slightly. Canada's exports to the United Kingdom were valued at \$776 million up \$38.5 million (5 per cent) from 1957, and amounted to 16 per cent of total exports as against just over 15 per cent last year. The main products contributing to this increase were wheat, barley, canned salmon, cheese, nickel, uranium, drugs and chemicals.

Products, sales of which decreased in 1958 compared with 1957 were soya bean oilcake and meal, soya bean oil, tallow, synthetic fibre yam, Douglas Fir planks and boards, wood pulp, iron ore, iron and steel rods, aluminum, zinc, magnesium and selenium.

## IMPORTS

Canadian imports from the United Kingdom increased about 1 per cent in 1958, rising from \$522 million in 1957 to approximately

(Over)

\$527 million in 1958. This is in contrast to the drop of approximately \$430 million (10.7 per cent) in imports from the United States. Automobiles and parts, agricultural and animal products, aircraft, aircraft engines and parts, telephone apparatus and parts, radio apparatus, other machinery and diesel engines were the main British products that made major gains in the Canadian market.

The current trend seems to be to import truck parts and engines (diesel and otherwise) from Commonwealth countries rather than from the United States. This trend is partly due to Canadian and United States firms establishing plants to make these products in the United Kingdom, in order to have a base of operations in the sterling area and thus reap the advantage of tariff preferences.

The improvement in Anglo-Canadian trade in a year when imports from the United States and other Commonwealth countries declined, no doubt stems in part from the increased interest in the Canadian market exhibited by British exporters as a result of the Canadian Trade Mission to the United Kingdom in 1957, and the visit of a United Kingdom trade delegation to Canada in 1958.

Now that some of the United Kingdom's European markets have decreased because of its exclusion from the Common Market, British manufacturers have an added incentive to step up their efforts to sell to the dollar area.

Although it is not likely that the United Kingdom will regain its prewar level of exports to Canada, there is, nevertheless, a substantial growth potential and a concerted drive by British exporters could mean the capture of a larger share of the Canadian market.

#### OTHER COMMONWEALTH COUNTRIES

Canadian exports to Commonwealth countries other than the United Kingdom increased from \$233 million in 1957 to \$282.7 million in 1958, a rise of \$49.6 million, or about 21 per cent. Imports from these countries, however, decreased by \$29.6 million (12 per cent)--from \$238.8 million in 1957 to \$209.2 million in 1958. This meant a favourable balance for Canada of \$73.7 million and reduced these countries' share of total imports by nearly 1 per cent.

Estimated import figures for 1958 compared with those of 1957 show that imports into Canada from The West Indies, Mauritius and the Seychelles, Ghana, India, Ceylon, Malaya and Singapore, Fiji, and New Zealand declined in 1958, but imports from Australia, Hong Kong, and the Union of South Africa increased.

Most of these Commonwealth countries largely depend on exports of primary products for their national income. Lower prices for these commodities last year sharply reduced the overseas reserves of many of them and forced them to tighten import restrictions to conserve foreign exchange. With the improvement in the balance-of-payments position in many of these countries, it is hoped that restrictions will be relaxed in accord with the views expressed at the Commonwealth Economic Conference.

#### SIGNIFICANT FEATURES

Some of the Commonwealth countries depend greatly on the export of one or two products. For example, copper and tobacco account for about 83 per cent of total exports of the Federation of Rhodesia and Nyasaland, and Ghana relies on cocoa for about 60 per cent of its total sales abroad. Ghana was very worried about the effect that the Common Market in Europe would have on its markets in that area. It has been heartened by the news that West German cocoa importers have requested that the 9 per cent Common Market import duty on cocoa imposed on supplies from outside the Common Market area should be removed. As an alternative they have suggested that duty-free quotas on cocoa should be established. It is understood that approximately 75 per cent of West German cocoa imports are supplied from countries outside the Common Market. If these duties are imposed, then Ghana would suffer a severe loss in exports of its staple commodity.

Imports into Canada from Ghana dropped from \$6 million in 1957 to an estimated \$2.2 million in 1958. Part of this reduction was due to smaller imports of cocoa, but the main cause was a sharp fall in imports of manganese ore. Total Canadian imports of this ore reached \$3.46 million in 1957 but for the first ten months of 1958 were valued at only \$130 thousand.

Canadian exports to Nigeria dropped from \$1.5 million in 1957 to \$336 thousand in 1958, but last year's figures were bolstered by a large order of over \$1 million for wrought-iron pipe and tubing.

As the smaller countries of the Commonwealth become independent and more industrialized, Canadian exporters of capital and construction goods should have more opportunities to obtain orders, such as the one mentioned above.

Shipments of wheat and flour under the Colombo Plan and the granting of credit arrangements accounted for most of the increase shown in exports to India, Pakistan, and Ceylon. India also imported more railway rails, pipe and tubing, copper ingots, aluminium and aircraft.

#### CANADA AND THE NEWER MEMBERS

Canada has a particular meaning at the present stage in history for the many countries within the Commonwealth that have recently gained independence, or hope to do so shortly. They appreciate that Canada has blazed the trail from colony to independent member of the Commonwealth, and countries such as The West Indies look to us for advice and assistance as they evolve towards self-government. Thus, in addition to the Colombo Plan, Canada is giving technical assistance to Ghana and The West Indies and is supplying two ships to the West Indies Federation for inter-island trade. We would hope that this aid will have a beneficial effect on Canada-West Indies relations.

### VISIT OF NATO DEFENCE COLLEGE

A party of eighty members of the staff and student body of the North Atlantic Treaty Organization Defence College in Paris arrived at RCAF Station Uplands on the evening of Sunday, April 5, on a two-day visit to Canada. The group was led by the Commandant of the College, Lieutenant-General Tekin Ariburun of the Turkish Air Force.

This was the first time the College, as a group, has visited Canada. The Ottawa stopover was only a part of a general tour of North America being carried out on the joint invitation of the Canadian and United States Governments, to mark the Tenth Anniversary of NATO. The anniversary ceremonies took place in Washington on April 2.

The NATO Defence College, established following a suggestion by General Dwight D. Eisenhower during his tenure as Supreme Allied Commander in Europe, was inaugurated on November 9, 1951, for the training of officers who would be needed to serve in key capacities in NATO organizations. The College classes consist of approximately 50 students a term, most of whom are officers having the rank of lieutenant-colonel or equivalent and civilian officers from the NATO countries. The study course lasts approximately six months and the students on this visit are members of the 15th class since the College was inaugurated.

In Ottawa the visitors were given a series of national lectures which are normally given at the College in Paris. These lectures covered the general field of Canada's political, economic and external policies and defence organization. Following the lecture programme on Monday morning, the visitors were guests at a government luncheon at H.M.C.S. Carleton. In the afternoon, the group were taken on a tour of the St. Lawrence Seaway and Hydro projects at Iroquois and Cornwall on their way to Montreal, where they spent the evening.

On Tuesday, April 7, the Air Officer Commanding, RCAF Air Defence Command, Air Vice Marshal W.R. MacBrien, OBE, CD, briefed the visitors on the organization and operations of the Air Defence Command. Following the briefing and a tour of RCAF Station St. Hubert, Que., the party left for the United States.

\*\*\*\*

### ROYAL TOUR 1959

The Commissioner for The Royal Tour (1959) has announced that His Royal Highness the Prince Philip will be installed as President of the Canadian Medical Association at a meeting of that body in Toronto, Tuesday, June 30.

The installation ceremonies will take place at the Royal York Hotel during a luncheon meeting of the Association.

### NATO ANNIVERSARY

Canadians marked the tenth anniversary of the signing of the North Atlantic Treaty on April 4, 1949, both at home and abroad.

In Ottawa, a 100-man detachment from Canada's three armed services and the RCAF central band took part in ceremonies on Parliament Hill. Among the distinguished guests were the Ambassadors and military attachés of the 14 NATO countries.

The Prime Minister took the salute, after which the NATO flags were unfurled to a medley of national anthems and the NATO standard was "broken out". The ceremony concluded with a short address by Mr. Diefenbaker.

At Norfolk, Virginia, headquarters of NATO's Supreme Allied Commander Atlantic, four Canadian warships with a complement of some 2,000 officers and men, played a prominent part in special ceremonies on April 6.

In Germany soldiers of Canada's brigade joined with forces of other North Atlantic Treaty nations to celebrate the day.

\*\*\*\*

### TRADEMARK FOR ESKIMO CARVINGS

Canada's Eskimo artists now have a trademark. The newly approved emblem depicts an igloo - the Eskimo's traditional form of shelter and protection - and the words "Canadian Eskimo Art". It is designed to distinguish the Canadian Eskimos' original form of art from foreign imports and mass-produced imitations. It is also designed to protect the Eskimo from any individuals who might try to exploit them and sell their work by doubtful means. Only pieces properly bought and paid for will carry the certification mark.

The trademark appears in two forms: as a sticker and as a string tag. The tag also has space for the carver's name, the place of origin and the price. Both stickers and labels are applied to the carving at the point of origin.

The symbol was designed on Eskimo themes by Ottawa artist James Boyd. It was registered by the Department of Northern Affairs in the name of "Her Majesty the Queen in the right of Canada" and covers "carvings made by Eskimos of Canada, principally in stone and ivory". The purpose of the registration mark is to establish the authenticity of the origin of the carvings, not to serve as judgement on the artistic merits of any particular piece.

Canadian Eskimo carvings are made at isolated communities scattered throughout the Arctic. The known revenue to the Eskimos was more than \$100,000 last year. So, if you are buying, remember the advice of the Eskimo (whatever the seller says): "If there is no registration mark, it may not be authentic".

### NEW APPOINTMENT

The Department of External Affairs has announced the appointment of Mr. Evan W.T. Gill, the present High Commissioner for Canada to Ghana, as an Assistant Under-Secretary of State for External Affairs to replace Mr. W.D. Matthews who died recently.

Mr. Gill joined the Department of External Affairs in 1950. He served as Counsellor at Canada House, London, during 1950-51 and became Head of the Personnel Division in the Department in November, 1951. He was appointed High Commissioner for Canada to the Union of South Africa in July, 1954. In March, 1957 he was appointed Canada's first High Commissioner to Ghana.

It is expected that Mr. Gill will take up his new duties some time in May. The appointment of his successor in Accra will be announced later.

\*\*\*\*

### NRC SCHOLARSHIPS

The National Research Council of Canada has granted 399 scholarships for 1959-60, with a total value of \$844,600.

Three hundred and forty-one of these scholarships are for graduate work at Canadian universities. These include 148 bursaries valued at \$1800 each and 193 studentships worth \$2200 each.

Awards for study abroad include 33 special scholarships worth \$2200 each. These are to be held in the following countries: 18 in the United Kingdom, 14 in the United States, and one in France.

Twenty-five postdoctorate overseas fellowships, valued at \$3500 for married and \$2700 for single fellows, have been granted for work in the following countries: 19 in the United Kingdom, five in France, and one in the Netherlands.

\*\*\*\*

### TOURIST LODGE IN ARCTIC

The first sport fishing lodge in Canada's Arctic will open on July 2. Situated on Ward Inlet, south of Frobisher Bay, Chartic Lodge will provide anglers with luxurious accommodation and fishing for Arctic char, a giant-size cousin of brook trout, weighing up to 20 pounds and more.

The \$80,000 establishment will accommodate 12 guests each week, providing all the facilities and services of lodges in first class tourist resort regions.

Cost of a week's stay at the lodge has been set at \$1,500, which includes return transportation by air from Montreal, meals, accommodation, boats and Eskimo guides. Flights to the new lodge will leave on Saturdays, returning to Montreal the following Sunday.

### TRAVEL EXPENDITURES

Expenditures in Canada by travellers from the United States and other countries were 3.0 per cent smaller in 1958 than the preceding year's all-time peak, but travel expenditures of Canadians in other countries climbed 3.6 per cent to a new high, according to first estimates of 1958 international travel expenditures published by the Dominion Bureau of Statistics. For the eighth successive year, Canadian travellers spent more in other countries than foreign travellers did in Canada.

Foreign visitors to Canada spent an estimated \$352,000,000 in 1958 as compared to \$363,000,000 in the preceding year, while Canadian travel expenditures abroad totalled \$544,000,000 as compared with \$525,000,000. The resulting debit balance on travel account with all countries rose to \$192,000,000 from \$162,000,000 in 1957.

United States residents travelling in Canada reduced their spendings 5 per cent to \$309,000,000 from the preceding year's record \$325,000,000 but Canadians travelling in the United States spent some 2 per cent during the year at a record \$411,000,000 versus \$403,000,000. The resulting debit balance on travel account (seventh in a series), thus rose to \$102,000,000 from \$78,000,000 in 1957.

Visitors from overseas countries spent a record total of \$43,000,000 on travel in Canada in 1958 as compared with \$38,000,000 in the preceding year, and Canadian overseas travel expenditures also rose to a new peak of \$133,000,000 from \$122,000,000 in 1957. This resulted in the debit balance on travel account with these countries to a record \$90,000,000 as compared with \$84,000,000 in 1957.

The greater part of the decrease in receipts from travel in Canada by residents of the United States can be traced to the non-automobile classifications. On the basis of preliminary data it would appear that expenditures made by non-automobile classifications amounted to \$137,500,000, \$14,000,000 less than the 1957 figure.

The rise in expenditures of Canadians travelling in the United States was almost evenly distributed between the automobile and non-automobile categories. Canadians returning by automobile spent \$216,000,000 in other countries during 1958, an increase of nearly \$4,000,000 or some 2 per cent more than in the preceding year.

Purchases declared under the \$100 customs exemption privilege for Canadians returning from the United States were practically unchanged from the preceding year with declared values amounting to \$73,900,000 as compared with \$74,100,000 in 1957. Purchases of merchandise in overseas countries, however, advanced about \$1,600,000 when compared with 1957.

A new record was reached in the volume of travel between Canada and other countries

(Continued on P. 6)

## GROSS NATIONAL PRODUCT

Canada's gross national product - the sum of the value of all goods and services - showed an advance of 2.5 per cent in 1958 over 1957, amounting to \$32.2 billion compared to \$31.4 billion, according to preliminary estimates contained in the Dominion Bureau of Statistic's quarterly report for the fourth quarter of the year. The larger part of this increase represented higher prices. In volume terms, gross national product in 1958 is estimated to have risen by less than 1 per cent.

Despite the improvement in a number of the main statistical aggregates during 1958, gross national product for the year as a whole, the report states, was affected in a major way by the heavy inventory liquidation of the first half, and by the continued downward drift in business spending for new plant and equipment. The slight volume gain was attributable to higher production in the farm sector; the physical volume of non-farm production remaining unchanged from the previous year. This relative stability in the physical volume of total output compares with a gain of 9 per cent in 1955, 7 per cent in 1956, no change in 1957, and a postwar average for the years 1947 to 1958 of 4 per cent per year.

During 1958 there was a gradual resumption of the upward trend in Canada's gross national product, which had been interrupted in 1957 as recessionary influences began to bear adversely upon the level of economic activity. By the second quarter, the gross national product was showing a firmer trend, and by the final quarter was responding to a sharp rise in consumer expenditures, a strong advance in exports of goods and services, and a cessation in the rate of business inventory liquidation which had previously been operating to hold production in check, as final demand was met out of current inventory stocks. The year thus ended on a stronger note, although business outlays for new plant and equipment were still tending downward at year-end.

Gross national product in the fourth quarter was at a seasonally adjusted annual rate of \$32.7 billion, with output in the non-farm sector showing a rise of close to 2 per cent over the preceding quarter. The advance in total final purchases of goods and services in the fourth quarter was much the largest since early in 1956. However, Canadian production did not reflect the full effects of this renewed strength, since close to half of the increase in final demand in the fourth quarter was met by a pronounced rise in imports of goods and services. Related information suggests that the advances in output in the fourth quarter were quite widespread by industry. Manufacturing production advanced by more than 2 per cent, following the weakness of the preceding quarter; both durable and non-durable production advanced by about the same amount. All the service-producing in-

dustries also showed strong advances in the fourth quarter, the gains in retail and wholesale trade, and transportation, storage and communication being especially marked.

Personal expenditure on consumer goods and services, seasonally adjusted, rose by 3 per cent in the fourth quarter, one of the largest quarterly increases in recent years. A major advance occurred in expenditures on durables which were up by 8 per cent largely as a result of a 15 per cent increase in expenditure on passenger cars. Outlays on non-durables and services rose by about 2 per cent and 3 per cent, respectively.

Exports of goods and services, seasonally adjusted, rose by 5 per cent in the fourth quarter, both the commodity and service items showing roughly parallel movements. Gains were widespread among the commodity groups, but especially pronounced in agricultural and animal products and wood and wood products; exports of non-ferrous metals declined.

Business gross fixed capital formation remained practically unchanged in total in the fourth quarter, seasonally adjusted, but the components showed sharply divergent trends. A further advance in outlays for housing was not sufficient to offset the continued drop in expenditures on non-residential construction, but expenditures on machinery and equipment were moderately higher.

Business inventories made only a small contribution to the level of activity between the third and fourth quarters, though their position was sharply changed from the heavy liquidation of the first half of the year. Stocks of manufacturing inventories showed some decline in the fourth quarter, but this was more than offset by an accumulation of stocks in trade. The latter build-up was most apparent in the durable trade groups, largely reflecting the flow of new model automobiles to dealers.

As above noted, the rise in final demand in the fourth quarter was met in part by a large increase in imports of goods and services, amounting to 6 per cent. The advance was entirely attributable to an increase in commodity imports, which showed widespread gains; however, imports of iron and its products accounted for over half of the total increase, in addition to showing the sharpest percentage gain.

The major development on the income side in the fourth quarter was an estimated 8 per cent rise in corporate profits, following a smaller increase in the third quarter; the rise thus appears to have been fairly sharp in spite of the adverse effect of industrial disputes during the quarter. The rate of advance in labour income was also moderately higher than in the preceding quarter.

...It was apparent that a major downward pressure during 1958 was coming from the busi-

ness investment sector, with inventory liquidation assuming a major role, and declines in business outlays for non-residential construction and machinery and equipment acting to reinforce the curtailment in inventory demand. Altogether, these three components of the expenditure side accounted for a cut-back in the flow of expenditures equivalent to about \$1.3 billion in terms of new production. However, these downward tendencies in the economy were counteracted by the continued growth in consumer and government expenditures for goods and services, and the upswing in residential construction. These three elements on the demand side more than offset the declines noted in the business investment sector. At the same time, a good deal of the effect of the downward shift in domestic demand was transferred on to foreign sources of supply through the mechanism of declining imports of goods and services. The fall-off here in 1958 amounted to \$0.4 billion, or about one-third of the net reduction in demand attributable to the business investment sector. The overall effect of these developments was to bring about a change in the value of Canadian production in 1958 of about 2.5 per cent over the level of the year 1957.

\*\*\*

### AWARD TO SCIENTIST

A Canadian scientist, Dr. R.A. Chapman of Ottawa, will be honoured at the annual meeting of the International Institute of Food Technologists in Philadelphia, on May 19. Assistant Director of Scientific Services for the Food and Drugs Directorate of National Health and Welfare, Dr. Chapman will receive the 1959 International Award of the Institute. It is in the form of a silver salver donated by the Australian regional sections.

The I.F.T. award is given annually to the member who has made outstanding efforts to promote the international exchange of ideas in

food technology, or whose work has led to greater understanding in this field.

Dr. Chapman was on leave from the Department for two years in 1955 and 1957 in order to work with the World Health Organization in Geneva on chemicals in foods.

\*\*\*

### STUDENTS TO WEST INDIES

Thirty-five Canadian students from 24 universities and colleges in all parts of the country will attend the 10th annual World University Service of Canada seminar in Kingston, Jamaica, next summer. The seminar, which will last for three weeks, will be about the political, economic, social and cultural development of the new Federation.

The students, from all ten provinces, will be chosen for their academic ability and qualities of leadership.

\*\*\*

### NEW UNIVERSITY PRESIDENT

Dr. Walter Hugh Johns was installed as President of the University of Alberta at a ceremony on April 4. He succeeds Dr. Andrew Stewart who resigned to become Chairman of the Board of Broadcast Governors.

\*\*\*

### TRAVEL EXPENDITURES

(Continued from P. 4)

during 1958, total traffic representing 56,100,000 visits as compared with 56,000,000 in 1957. Border crossings between Canada and the United States totalled 55,952,000 compared with 55,828,800 in 1957. Travel via the border between Canada and the United States in 1958 comprised 28,530,700 (28,619,400 in 1957) crossings by residents of other countries entering Canada and 27,421,700 (27,209,400) re-entries by residents of Canada.

\*\*\*