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A REPORT FROM VIETNAM

The Secretary of State for External Affairs, Mr. Howard Green, commented on June 25 on the special report of the International Supervisory Commission for Vietnam. He said:

"The International Supervisory Commission for Vietnam, by majority vote of its Indian and Canadian members, has concluded:

- (a) that 'armed and unarmed personnel, arms, munitions and other supplies' have been sent from North Vietnam into South Vietnam 'with the object of supporting, organizing and carrying out hostile activities, including armed attacks, directed against the armed forces and administration' of South Vietnam;
- (b) that the North Vietnamese authorities have allowed North Vietnamese territory to be used 'for inciting, encouraging and supporting hostile activities in the zone in the south aimed at the overthrow of the administration' in South Vietnam;
- (c) that South Vietnam has received military aid from the United States in quantities which appear to be in excess of those permitted by the Geneva Agreement of 1954, and has made military arrangements with the United States which amount to a factual - though not to a formal - military alliance.

"These are the principal conclusions of a special report signed in Saigon on June 2 by the representatives of India and Canada. The report, which was addressed to the foreign ministers of Britain and the Soviet Union, acting as Co-Chairmen of the Geneva Conference of 1954 which drew up the Agreements ending the Indochina war, was made public today. The

third member of the International Commission, the representative of Poland, dissented from the findings of the majority.

NORTH VIETNAM ACCUSED

"The Canadian Government fully endorses these conclusions of the International Commission. It considers that the report establishes beyond any reasonable doubt that North Vietnam has engaged, for a number of years and with rising intensity in 1960 and 1961, in subversive activities of an aggressive nature directed against South Vietnam. The Commission's report also makes clear that the increased military aid which South Vietnam has received since December 1961 was requested for the purpose of dealing more effectively with these subversive activities. The report brings out the fact that the South Vietnamese Government has undertaken to end these extraordinary measures 'as soon as the North Vietnamese authorities have ceased their acts of aggression and have begun to respect the Geneva Agreement'.

"The recommendations of the Commission, directed to preserving peace in Vietnam by ensuring compliance with the provisions of the Geneva Agreement, have the full support of the Canadian Government.

"I earnestly hope that these recommendations of the International Supervisory Commission for Vietnam will be heeded, and that the 'threat of resumption of open hostilities', which the Commission reports to be growing in that country, will thereby be averted. Canada remains prepared to co-operate effectively to that end with its partners in the Commission."

NEW MOTOR SALES

Sales of new motor vehicles increased 20.2 per cent in April to 62,326 units from 51,831 a year earlier, passenger cars rising 25.2 per cent to 55,371 units from 44,210 and commercial vehicles falling 8.7 per cent to 6,955 units from 7,621. The retail value of total sales climbed 19.7 per cent to \$185,883,000 from \$155,335,000, the total for passenger cars increasing 22.7 per cent to \$158,950,000 from \$129,574,000 and commercial vehicles 4.5 per cent to \$26,933,000 from \$25,761,000.

January-April sales of new motor vehicles were up 21.2 per cent from a year ago at 201,294 units compared to 166,050, with passenger cars advancing 24.6 per cent to 175,575 units from 140,908 and commercial vehicles 2.3 per cent to 25,719 units from 25,142. The four-month retail value was up 21.1 per cent to \$609,814,000 from \$503,653,000, the total for passenger cars increasing 24.8 per cent to \$517,166,000 from \$414,330,000 and commercial vehicles 3.7 per cent to \$92,648,000 from \$89,323,000.

April sales of vehicles manufactured in Canada and the United States climbed 28.2 per cent to 51,710 units from 40,325 a year earlier, and the value rose 24.3 per cent to \$163,692,000 from \$131,680,000. Passenger-car sales advanced 35.6 per cent in volume to 45,216 units from 33,355 and 28.3 per cent in value to \$137,845,000 from \$107,418,000.

Sales of overseas-manufactured vehicles declined 7.7 per cent in the month to 10,616 units from 11,506 a year earlier, and the retail value fell 6.2 per cent to \$22,191,000 from \$23,655,000. Passenger-car sales were down 6.4 per cent in volume to 10,155 units from 10,855 and 4.7 per cent in value to \$21,105,000 from \$22,156,000.

MESSAGE FROM LAOS

The Secretary of State for External Affairs, Mr. Howard Green, recently released the text of a message received from Prince Souvanna Phouma, who is to head the new Laotian Government of national union. This communication is in reply to a congratulatory message sent by Mr. Green on June 14, after learning that agreement had been reached in principle on the formation of a coalition government in Laos.

Prince Souvanna Phouma's message is as follows: "I am deeply moved by the message of congratulations which Your Excellency has been kind enough to send me on the occasion of the formation of the government of national union, and I thank you very much for it. If agreement has been reached on June 12, 1962, it is in large measure thanks to the efforts of your representative on the International Supervisory Commission in Laos and to those of your Government. I am sure I can count on the help of your Government in the carrying out of the future Geneva accords which should soon be endorsed by the unified delegation from Laos. Highest consideration. Prince Souvanna Phouma, Prime Minister of the Royal Government of Laos."

APRIL BORDER CROSSINGS

Vehicles entering Canada from the United States in April numbered 1,414,200, an increase of 4.0 per cent from last year's corresponding total of 1,359,300. This brought the number in the January-April period to 4,468,900 versus 4,411,700, a year ago, a rise of 1.3 per cent.

Vehicles of foreign registry entering Canada from the United States increased 5.2 per cent in April to 644,600 from 612,806 a year earlier and 1.4 per cent in the January-April period to 1,965,700 from 1,939,400 a year ago. Vehicles of Canadian registry returning from the United States rose 3.1 per cent in the month to 769,600 from 746,500 and 1.2 per cent in the four months to 2,503,200 from 2,472,300.

ENTRY OF PERSONS

The number of persons entering Canada from the United States in April by rail, bus, boat and plane increased 7.8 per cent to 198,800 from 184,400 in the same month last year. This brought the January-April total to 632,300 compared to 610,800 in the same four months of 1961, an advance of 3.5 per cent.

The number of foreign travellers entering Canada from the United States by long-distance common carrier was up by 9.5 per cent in April to 74,900 from 68,300 a year earlier and by 0.8 per cent in the January-April period to 240,800 from 239,000. The number of Canadians returning by these means of transportation increased 6.7 per cent in the month to 123,900 from 116,100 and 5.3 per cent in the four-month period to 391,500 from 371,800.

FOREST FIRES

National forest-fire statistics to the end of May showed reductions from the corresponding period last year, according to the federal Department of Forestry.

A total of 89,781 acres of forest was destroyed or damaged by 1,557 fires during April and May. For the corresponding months last year, 1,893 fires burned or damaged 385,665 acres.

The average size of the fires has been 57 acres so far this year, compared with 204 acres for April and May 1961.

Forestry officials are hoping that forest-fire destruction will remain well below the 1961 record of some 9,000,000 acres.

CARGO-HANDLING EXPOSITION

The key to effective integrated transportation, port-cargo handling, will be explored at a two-day exposition sponsored by the National Harbours Board to be held early this autumn in Montreal. The exposition will feature the examination of advanced handling techniques in operation at the port. The programme encompasses all phases of bulk and general cargo handling from dockside to truck and rail. Modern mechanical equipment such as fork-lift trucks, mobile cranes and loading and unloading machinery

for bulk cargoes will be seen under actual working conditions. Films on handling methods at other world ports are planned, along with information exhibits from all the National Harbours.

Efficiency in port-cargo handling is of major importance in the maintenance of harbours as effective links between sea and land transportation. As port administrators, the members of the National Harbours Board are particularly conscious of the significance of harbour operations for Canada's foreign trade, as the effects are felt by most phases of the transportation industry - a vital area of consideration in the competition for world markets.

A large attendance is expected for the cargo-handling exposition, with representatives of the transportation world, industry and other business and commercial interests. The NHB expects to announce full details shortly.

LAMB PRICE SUPPORT

A deficiency-payment system of lamb price support went into effect on July 1, replacing the offer-to-purchase programme, the Agriculture Minister announced recently. For the period July 1, 1962, to March 31, 1963, he said, the Agricultural Stabilization Board has been authorized to support the price of lambs by a deficiency-payment programme. It would provide a national average price to producers of \$18.80 a hundredweight, basis live weight, for lambs of good quality, or better. This is 92 per cent of the national base price, and is the equivalent of \$20.45 a hundredweight, basis live weight Toronto.

The offer-to-purchase programme, which ended June 30, also supported the price of lambs at \$20.45 a hundredweight, basis live weight Toronto, or 92 per cent of the base price.

Mr. Hamilton said the change from an offer-to-purchase method of support to the deficiency-payment method had met with the approval of producers and producer organizations. He added that the new plan would result in a greater number of Canadian lambs being marketed as fresh lamb rather than frozen lamb. Consumers would benefit, he explained, since they would be able to obtain a better product over a longer period.

ASB GUARANTEE

During the nine months from July 1, 1962, to March 31, 1963, if the national average price at which lambs are sold by producers is less than the national support price of \$18.80, the Agricultural Stabilization Board will make a payment to producers of the amount by which the national average market price is less than the national support price. The deficiency payment will apply on choice and good grade lambs in the 36 to 56 pound carcass-weight range.

Mr. Hamilton also announced that, to stimulate further the production of high-quality lambs and increase producers' returns, the Government had extended the quality premium payments to include choice and good grade lambs in the 52 to 56 pound carcass-weight range. During the past year quality premiums were only paid on choice and good grade lambs in the 36 to 51 pound carcass-weight range.

MAY SEAWAY TRAFFIC

The St. Lawrence Seaway entities, in a monthly release, announced that preliminary figures for cargo tonnage from April 1 to May 31, 1962, were up 4.5 per cent through the Montreal-Lake Ontario Section and 11.6 per cent on the Welland Canal Section compared with the same period of 1961.

Cargo tons for the month of May 1962 through the Montreal-Lake Ontario Section reached a total of 3.8 million tons, an all-time high for a single month's traffic.

Upbound traffic for both sections reflects substantial increases over 1961. On the Montreal-Lake Ontario Section, 1,461,436 tons of upbound cargo during May of 1962 represents a 45.4 per cent increase over the 1,005,453 tons recorded for the same month a year ago. During the 1962 period of April and May, a 44.8 per cent increase in upbound traffic over the corresponding 1961 period is noted, 1,885,924 tons this year, compared to 1,302,878 tons last year. The May 1962 downbound traffic of 2,346,306 tons is a 2.2 per cent increase over the 2,296,222 tons for May 1961, although 2,850,379 tons downbound reported for the April-through-May period this year is 11.7 per cent less than the 3,228,691 tons during 1961.

The same pattern exists in statistics for the Welland Canal. An increase of 53.2 per cent in upbound cargo was recorded for the month of May 1,534,311 tons in 1962 compared to 1,001,481 tons in 1961. A downbound decrease of 0.8 per cent from 3,196,350 tons in 1961 to 3,170,684 tons in 1962 resulted from the shift in vessel movements. In comparing the April-through-May period of 1962 with that of 1961, upbound traffic increased by 52.8 per cent from 1,397,803 tons to 2,136,245 tons, and downbound traffic decreased by 0.6 per cent from 4,731,997 tons in 1961 to 4,705,331 tons in 1962.

EXPLANATION OF INCREASE

There are three general causes for the increase in traffic at the beginning of this season: (a) a heavy increase in the flow of iron ore upbound through the Seaway; (b) a substantial increase during April and May in general cargo upbound through both canals; and (c) a carry-over of cargo tonnage delayed during April owing to the late opening of the Seaway.

OUTDOOR SCULPTURE EXHIBIT

The first open-air display of sculpture to be held by the National Gallery of Canada opened on June 29. The exhibit, which occupies the outdoor terrace of the Gallery, consists of 24 works by 22 Canadian sculptors. It will remain on view until September 3.

A horticultural setting has been provided, consisting of pine, fir and birch saplings, as well as a variety of shrubs and flowers, distributed about the court in concrete tubs. The display will be fully illuminated at night.

The pieces on exhibit have been created from a large variety of materials, including brass, bronze, Carrara marble, concrete, limestone, sandstone, terra cotta, welded steel and wood.

IN SEARCH OF THE MAGNETIC NORTH

Where is the North Magnetic Pole now? Contrary to what many people think, it moves. Since 1950, it has been moving north at the rate of about five miles a year. Many maps show it at the northern end of Prince of Wales Island in the Canadian Arctic archipelago. Actually, this was its position in 1950, when the last check on its location was made.

Another check is to be made this year. It is one of the many investigations of the earth's crust that over 50 geophysicists and technicians from the Dominion Observatory of the Department of Mines and Technical Surveys are carrying out by means of geomagnetism, gravity and seismology across Canada.

The two geophysicists who will study the North Magnetic Pole expect to find it at the south end of Bathurst Island. The movement of the Pole is believed to be caused by changes in the liquid core of the earth. The team will travel north to Bathurst aboard two Department of Transport icebreakers, the "d'Iberville" and the "Maclean".

The biggest single project on the programme is the mapping of the earth's magnetic field over 1,250,000 square miles of Canada's Arctic archipelago as far as the North Pole. It will be carried out this fall by moonlight by Dr. Paul E. Serson, using the unique three-component magnetometer developed under his direction at the Dominion Observatory in Ottawa. This survey is part of the current world survey of the earth's magnetic field, which is scheduled for completion by 1965.

GROSS NATIONAL PRODUCT

Canada's gross national product continued to advance in the first quarter of 1962. At a seasonally-adjusted annual rate of \$38.6 billion, it was about 2 per cent higher than in the fourth quarter of 1961. There was some rise in prices and gross national expenditure in constant dollars is estimated to have risen about 1.5 per cent. About half the increase in

the value of the gross national product is statistical rather than economic, in that the estimate of this year's crop assumes a normal harvest in contrast to the poor harvest of last year. This in itself involves an increase of about \$360 million in the value of production. In the non-farm sector, the quarter-to-quarter increase is about 1 per cent.

CONSUMER SPENDING

The major factor contributing to the expansion in economic activity was consumer spending, which recorded one of the largest quarterly gains in recent years. On the other hand, additions to business inventories, which have been an important increment to the demands on current production in the fourth quarter of 1961, ceased to be an expansionary influence. The liquidation of farm inventories in the fourth quarter, a reflection of heavy sales and a poor crop, was sharply reduced in the first, given the crop estimate stated above. Government expenditure on goods and services added an element of support to the rising level of economic activity.

Gross fixed capital formation gave little stimulus to economic expansion; a considerable increase in housing was partly offset by lower outlays for plant and equipment. Moreover, the deficit on current international transactions widened, payments on invisibles continued to advance in excess of receipts, and the surplus on merchandise account, which had emerged in 1961, dwindled in the first quarter of 1962, as exports failed to maintain the rising rate characteristic of 1961 and imports remained level.

DOMINICAN AND GUINEAN ENVOYS

On June 28, Dr. Conté Saidou presented to the Governor-General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Guinea to Canada. On June 29, Dr. Alberto Rincon y Jaquez presented his credentials as Ambassador Extraordinary and Plenipotentiary of the Dominican Republic.