



CANADA

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## MAJOR FINANCIAL OPERATION

Details of the Canadian Conversion Loan of 1958 were announced in the House of Commons July 14 by Finance Minister Donald Fleming, who also told members of Parliament of Government arrangements to sell an issue of \$400 million of five-month bonds.

In his statement, Mr. Fleming said, in part:

"In my budget speech four weeks ago I informed the House and the country in some detail of our financial requirements during the coming year. I stated then that in order to carry out our approved programme in the fields of both economic capital development and social welfare we would require \$1,400 million of new money during this fiscal year, in addition to providing for the refunding of nearly \$2,000 million of maturing bonds. This, as I said at that time, is a formidable task.

"We must also look beyond the immediate needs of this fiscal year. During the next few years there will mature in quick succession the whole of the remaining wartime victory loans. The total amount of the five victory loans falling due between now and 1966 is over \$6,400 million. This is a very large sum and it constitutes more than 60 per cent of our outstanding funded debt, excluding the special categories of Canada savings bonds and treasury bills.

"This large volume of early maturities overhanging the market made it very difficult to plan an orderly programme of debt manage-

ment and has contributed greatly to the general feeling of uncertainty which has prevailed in our bond markets for the past few years. This uncertainty in the market for prime Canadian bonds has had inevitable effects on the market for provincial, municipal and good corporate bonds.

"We have therefore decided to clear away this heavy congestion of early maturities and lay the foundations of an orderly and sensible programme of public debt management. Today we are launching the Canada conversion loan of 1958. The details of this offer are being made public concurrently with this announcement. All holders of unmatured victory bonds are being offered new and longer term bonds in exchange for their present holdings. The holders of the eighth and ninth victory loans maturing in 1963 and 1966 are offered a choice of new 4½ per cent 25-year bonds maturing in 1983 or new 4½ per cent 14-year bonds maturing in 1972. Holders of the seventh victory loan which matures in 1962 may convert at their option into either of the two new bonds already mentioned or into a 3-¾ per cent 7-year bond maturing in 1965. Finally, the holders of the fifth and sixth victory bonds due in 1959 and 1960 may convert into new 3 per cent 3½-year bonds maturing on December 1, 1961 or into any of the other new bonds mentioned.

"In brief, the holders of all these victory loan bonds may convert into a choice of four issues, 25 years at 4½ per cent, 14 years at



4½ per cent, 7 years at 3-¾ per cent or 3½ years at 3 per cent provided, however, that they must elect a bond which lengthens out to that extent their present term.

"In addition, in order to adjust equitably the current market prices and yields of the old bonds to the new offerings we will make appropriate cash adjustments on conversion. Since we are making this offer to the two million individual private citizens who own these victory bonds, we are combining accrued interest and the cash adjustment into a single figure. The actual cash adjustment, exclusive of accrued interest, in favour of the person converting will depend upon the issue he is turning in and the new bond he is taking in return, but ranges from nil on the 1966 maturity being converted into the 14-year or 25-year bond to \$1.99 per \$100 par value on the 1959's which are converted into new bonds of 7-year maturity or longer...

"In the campaign I am now announcing the period between today and August 5 will be largely taken up with organization, but it will be open to any holder to deposit his old bonds and take his cash adjustment starting today. Our offer to convert will remain open up to and including September 15, 1958. All the new bonds will be dated September 1 and will bear interest from that date.

"Apart from corporations and financial institutions it is estimated that there are two million private individual holders of the victory loan issues to which I have been referring. To make sure that each and every holder, in so far as it is humanly possible, is made aware of this opportunity we are arranging for a widespread publicity campaign using all appropriate media.

"This conversion offer will perform the major and essential task of clearing the way for an orderly programme of debt management over the years ahead. It will not, however, provide us with any new cash. To cover our cash requirements over the next few months we have arranged to sell an issue of \$400 million of five-month bonds bearing interest at the rate of 2½ per cent per annum to the Bank of Canada and the chartered banks. These very short-term bonds will fall due on December 15 next, a date which will coincide with our known cash receipts from this year's Canada savings bond campaign.

"In conclusion may I say two things. The first is that we are convinced, and so are those with whom we have consulted, that this great conversion loan will lay the foundations for a new, healthy and confident tone to our whole bond market, and that the beneficial results of this will extend well beyond the market for Canada bonds and into the market for provincial, municipal and corporate bonds.

"The second point I wish to emphasize is that this Government attaches great importance and a high priority to the preservation of a

sound currency and stability in the purchasing power of our dollar. On behalf of the Government I wish to reiterate that we intend to follow policies designed to maintain the soundness of the Canadian dollar.

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## POPULATION YOUNGER

Reflecting the large increase in births in the period, the average age of Canada's population declined to 29.8 years in 1956 from 30.4 at the time of the 1941 Census, the Dominion Bureau of Statistics reports. The figure of 30.4 is the highest recorded over the period of 75 years from the 1881 Census. In that year the average age was 24.7. It rose to 27.1 in 1901, due to the heavy immigration from 1901 to 1911, dropped to 26.9 in the latter year, then moved upward again to 27.4 in 1921 and 28.6 in 1931.

There were about 5,225,000 children under 15 years of age in Canada, or nearly one-third (32.4 per cent) of the total population of 16,080,791, at the time of the 1956 Census. Five years earlier the number was just under 4,251,000, representing 30.4 per cent of the 1951 population, and in 1941 totalled just under 3,199,000 and accounted for 27.8 per cent of the population. Thus in the fifteen years from 1941 the number of children under 15 rose by more than 2,000,000 or approximately 60 per cent and the proportion of the population in this age group by nearly 5 per cent. The recent high 1956 ratio, however, does not set a record. The 1881 Census showed 38.7 per cent of the total population under 15 and up to and including 1931 the proportion never fell much below one-third. It was the small number of births in the thirties that brought about the reduced proportion in 1941.

At the upper age levels, the population at retirement ages - that is, 65 and over - also increased by nearly 60 per cent between 1941 and 1956. This group numbered almost 1,244,000 or 7.7 per cent of the total population in 1956. While the number was 158,000 greater, the 1956 proportion was practically the same as in 1951 but over the 15-year period showed a marked rise from the ratio of 6.7 per cent in 1941. Back in 1881 this group accounted for only 4.1 per cent of the total population.

While rising in number to about 9,612,000 from 8,672,000 in 1951 and 7,540,000 in 1941 - somewhat over a quarter in the 15 years, the proportion of the population in the working ages from 15 to 64 declined to slightly less than three-fifths in 1956 from approximately two-thirds in 1941. In 1881 this group represented just 57.2 per cent of the population, increasing to 62.5 per cent by 1911 when it was boosted by the heavy flow of immigrants, consisting largely of adults in the decade from 1901. The ratio declined to under 61 per cent in 1921, partly due to deaths in World War I and from the influenza epidemic of 1918



### CBC REVIEWS YEAR

The Canadian Broadcasting Corporation last year pressed ahead with the development of Canada's national broadcasting system under a continuing demand for increased services, particularly in television, the CBC said in its 22nd annual report.

The report, for the fiscal year ended March 31, 1958, said that the year saw six new privately-owned television stations added to the system; extension of direct microwave connections to Halifax and Winnipeg and new developments in radio broadcasting.

By the end of the year more than 3,000,000 Canadian homes -- representing 71 per cent of all those in Canada -- had bought television sets.

Improved programme fare, extended coverage in both languages and the attendant higher payments to the growing number of private stations last year brought the gross operating cost of the television service to \$58,070,145. This compared with a gross operating cost for the television service of \$46,581,000 in 1956-57.

Meanwhile, radio services on the three national networks -- Trans-Canada, French and Dominion -- were undiminished. Total gross expenditures rose to \$15,188,827 in 1957-58 from \$14,814,000 the previous year -- an increase of \$375,000.

Total gross operating expenses of the CBC during 1957-58 increased by \$11,864,327, or 19.3 per cent which compares with an increase of \$12,485,548 or 25.5 per cent during the previous year.

Commercial revenue showed an increase of \$4,716,351 or 19.9 per cent over the previous year, arising from a substantial increase in television commercial revenue which reached a record high gross figure of \$26,380,672. On the other hand, commercial revenue from radio with a gross total of \$2,029,842 decreased by \$416,421 or 17 per cent compared with the previous year.

Radio broadcasting and integrated services concluded the year with a surplus of \$180,201 while the television service operated with a deficit of \$5,148,676.

"The Corporation continued to face rising costs common to all industries in Canada as well as additional costs attendant upon the continuing development of national television across the country. In the year ahead costs covering the essential developments and maintenance of the television and radio services are expected to increase further," the report said.

Commenting on the Corporation's financial position, the report said that the CBC's working capital dropped from \$15,238,000 -- largely represented by Government of Canada bonds -- at March 31, 1957, to \$5,320,000 at March 31, 1958. During the year, \$9,918,000 of the working capital was spent to meet the operating and capital needs of the corporation.

"Liquidation of the Corporation's working capital to this extent has had the effect of rendering its day to day financing difficult because the nature and size of its commitments require a larger working capital," the report said.

Despite the sustained rise of interest in television viewing, a renewed interest in day-time radio was apparent also. Last year alone, more than 720,000 radio sets were sold -- an all-time Canadian sales record.

At the same time, public and privately-owned stations, working together within the national system, developed coverage to a point where 82 per cent of the population was within reach of good television service. Six new television stations came into operation during the year, bringing the total number in Canada to 46, of which eight are CBC stations. All carried the national programme service provided by the CBC with the privately-owned stations using an average of more than 40 hours a week, representing 55 per cent of their total programming.

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### CANADA'S ATOMIC EXHIBIT

A model of Canada's first atomic power station, NPD (Nuclear Power Demonstration), will be featured in Canada's exhibit at the Second United Nations International Conference on the Peaceful Uses of Atomic Energy, Geneva, September 1 to 13, 1958.

The Canadian exhibit will occupy a space of 2,900 square feet at the conference, which will be attended by representatives of all member countries of the United Nations and its special agencies. A total of 5,000 scientists, engineers, government officials, executives of private companies and others are expected to attend the meeting.

Canada's exhibit covers the full range of atomic energy developments in this country from the uranium industry through fundamental and applied research to radioactive isotopes and atomic power. Included in the exhibit are fifteen models of atomic power reactors, cancer treatment machines, a uranium mine mill, the Port Hope Refinery of Eldorado Mining and Refining Limited, the research and production reactors at Chalk River, and a beta ray spectrometer.

Actual equipment, rather than models, in the Canadian exhibit include a cancer treatment machine weighing nearly three tons, a radiography machine weighing a ton and a Gammacell weighing three and a half tons. The



latter contains 5,000 curies of cobalt-60, the gamma rays from which are used to sterilize materials and to study the useful effects of radiation on such things as lubricants, plastics and drugs. Demonstrations of the uses of the machine will be given during the conference, showing how the gamma radiation affects various materials.

The model of NPD (Nuclear Power Demonstration), which is six feet long and four feet high, shows the main features of Canada's unique heavy water-natural uranium plant that is now under construction two miles from Rolphton, Ont., near the Des Joachims Generating Station 150 miles west northwest of Ottawa. (About 16 miles up the Ottawa River from Chalk River).

A model of the Horizontal Pressure Tube Reactor (HPTR), an atomic power reactor designed by Canadian Westinghouse Co. Ltd., Hamilton, Ont., will also be on display at Geneva. Like the NPD model, the HPTR model shows clearly how the reactor fuel is contained in horizontal pressure tubes and how the machine is refuelled.

Canada's preliminary design for a large atomic power station known as CANDU (Canadian Deuterium Uranium) will be presented in a series of diagrams in the display panels of the exhibit.

The uranium industry will be presented pictorially in four large panels of photographs of mines in the ore-producing regions of Blind River, Ont.; Brancroft, Ont.; Beverlodge, Sask.; and Port Radium and Marian River in the Northwest Territories. About one ton of ore samples from these regions and samples of products of the mine mills and the Port Hope refinery will be shown. Ore milling, concentrate refining, the production of uranium metal and the manufacture of fuel rods in Canada will be shown by diagrams and photographs and by models of the Port Hope Refinery of Eldorado Mining and Refining Limited, and the Nordic mill of Algom Uranium Mines Limited. Sections of fuel rods for the NRX and NRU reactors, manufactured in the Port Hope plant of AMF Atomics (Canada) Limited, will be shown.

The sub-critical reactor at the University of Toronto and the 1,000 kilowatts swimming pool type reactor at McMaster University will be presented in diagrams and photographs.

The main descriptive panels in the Canadian exhibit cover an area 150 feet long and four feet deep. On these panels are some 300 photographs and diagrams, accompanied by descriptive material in English and French.

Three 30-minute, colour films will be shown in conjunction with the Canadian exhibit.

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## NEW POSTAGE STAMP

Mr. William Hamilton, Postmaster General, has announced details of a new design 5 cent postage stamp to be issued on September 10 next.

The new stamp focuses attention on the important role played by Canadians in the development of petroleum. A Canadian Geologist, Abraham Gesner, of Nova Scotia, laid the foundation for the new industry when he discovered kerosene in 1846 and established its use for illuminating purposes. Another Canadian, James M. Williams, dug the first commercially successful oil well at Oil Springs, Ontario in 1857. Canadian enterprise in the refining of petroleum became the basis for the modern world-wide petroleum industry.

The release of the new stamp coincides with the World Power Conference which will convene in Montreal from September 7 to 11. At this conference Canada will be host to some 1,700 delegates representing 52 countries. The World Power Conference will consider how the various sources of energy from heat and power may be adapted for the maximum benefit of mankind.

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## NATO PLAN ENDS

The termination of the RCAF's original NATO Aircrew Training Plan was marked by a colourful ceremony at RCAF Station Winnipeg on Saturday, July 19.

Since its beginning in late 1950, the plan has seen more than 5,000 pilots and observers from 10 other NATO countries trained in Canada by the RCAF as one of Canada's mutual aid contributions to NATO. Close to 200 trainees under the original arrangements are still in Canada, and the last of these is expected to graduate this December.

Under separate arrangements which replace the original plan, some training is continuing for limited numbers of aircrew from Norway, Denmark and the Netherlands. In addition, pilots are being trained in Canada for the German Air Force under a similar agreement.

The ceremony marking the ending of the original scheme featured the presentation of an illuminated scroll to the RCAF on behalf of the NATO nations participating in the training. The scroll was presented by Air Marshal Sir High Constantine, Deputy Chief of Staff for Plans and Policy, SHAPE, who represented the Supreme Allied Commander in Europe, General Lauris Norstad. Rear Admiral R.D. Hogle, Assistant Chief of Staff for Plans, Policy and Operations at SACLANT, represented the Supreme Allied Commander Atlantic, Admiral Jerauld Wright, at the ceremony. Air Marshal Hugh Campbell, Chief of the Air Staff of the RCAF, represented Canada and received the scroll.

The flags of the 15 NATO countries formed the backdrop for 450 RCAF and other NATO airmen drawn from seven stations within Training Command, as well as for the RCAF Coronation Trumpeters, the RCAF Central Band from Ottawa, and the massed Trumpet and Drum Bands from Stations Gimli, Portage la Prairie and Macdonald, Man.



Two flypasts of formations of 24 and 36 T-33 jet training aircraft were carried out.

Attending the ceremony were representatives from various NATO sub-commands, NATO military attachés from Ottawa, and Washington, DC, senior RCAF officers, and civilian dignitaries and service officers from the Winnipeg area.

The first NATO aircrew trainees arrived in Canada for RCAF training late in 1950, and the initial graduation ceremony was held May 4, 1951 at RCAF Station Summerside, P.E.I. when 17 navigators from Italy, Norway and Belgium received their wings.

Eventually the scheme embraced aircrew students from Norway, Denmark, The Netherlands, Belgium, France, Portugal, Italy, Greece, Turkey, and the UK. It was announced last year that the scheme, designed to aid other NATO countries in the build-up of their air forces, had served its purpose and would be terminated.

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### TO HOUSE CONVENTIONS

The Stratford Festival Theatre now housing a tumultuous season of three Shakespearean productions will be put to a less dramatic but equally busy use this winter when it becomes a convention centre for industrial and business organizations.

E.B. Higgins and Associates, a Toronto firm of Association Management Consultants, have been appointed by the Festival Foundation as convention managers for bookings into the unique Festival Theatre, a concrete and glass structure seating an audience of 2,190. Besides the auditorium, the building has facilities for housing smaller gatherings in the spacious individual rooms which during the summer season accommodate wardrobe and properties workshops, dressing rooms, reception lounges etc. The circular corridors leading from foyer backstage, both on ground and second level, provide suitable areas for exhibits and displays accommodating up to two hundred booths. Catering and refreshment arrangements will be made through E.B. Higgins and Associates as well as accommodation in local hotels and motels.

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### GHANA PM VISITOR

Prime Minister Kwame Nkrumah, of Ghana, is the latest head of Government to visit Canada. Mr. Nkrumah, who has just completed a four-day stay in this country, addressed a joint meeting of the Senate and the House of Commons, had talks with Prime Minister Diefenbaker and Members of the Cabinet, visited St. Lawrence Seaway projects at Cornwall and Iroquois, Ont., and was honoured in Montreal at a civic luncheon and at a state banquet.

### THE CANADIAN MINISTRY

In order of precedence in the Privy Council

- The Right Honourable John George Diefenbaker, Prime Minister
- The Honourable Howard Charles Green, Minister of Public Works
- The Honourable Donald Methuen Fleming, Minister of Finance and Receiver General
- The Honourable Alfred Johnson Brooks, Minister of Veterans Affairs
- The Honourable Léon Balcer, Solicitor General
- The Honourable George Randolph Pearkes, Minister of National Defence
- The Honourable Gordon Minto Churchill, Minister of Trade and Commerce
- The Honourable Edmund Davie Fulton, Minister of Justice and Attorney General
- The Honourable George Clyde Nowlan, Minister of National Revenue
- The Honourable Douglas Scott Harkness, Minister of Agriculture
- The Honourable Ellen Louks Fairclough, Minister of Citizenship and Immigration
- The Honourable J. Angus MacLean, Minister of Fisheries
- The Honourable Michael Starr, Minister of Labour
- The Honourable William McLean Hamilton, Postmaster General
- The Honourable James McKerras Macdonnell, Minister without Portfolio
- The Honourable William J. Browne, Minister without Portfolio
- The Honourable Paul Comtois, Minister of Mines and Technical Surveys
- The Honourable Jay Waldo Monteith, Minister of National Health and Welfare.
- The Honourable Francis Alvin George Hamilton, Minister of Northern Affairs and National Resources
- The Honourable Raymond Joseph Michael O'Hurley, Minister of Defence Production
- The Honourable Henri Courtemanche, Secretary of State of Canada

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### GROSS NATIONAL PRODUCT

Canada's gross national product at market prices in 1957 amounted to \$31,443,000,000, up 4.2 per cent from \$30,182,000,000 in 1956 and 16 per cent greater than the 1955 total of \$27,070,000,000, according to the Dominion Bureau of Statistics.

Personal expenditure on consumer goods and services rose 5.7 per cent to \$19,768,000,000 from \$18,697,000,000 in the preceding year and was 13 per cent above 1955's total of \$17,464,000,000. Personal income amounted to \$23,142,000,000 compared to \$21,958,000,000 in 1956 and \$19,820,000,000 in 1955. Per capita personal income was up 2.2 per cent to \$1,395 from \$1,365 a year earlier and was 10 per cent above the 1955 figure of \$1,263.



## POPULATION YOUNGER

(Continued from P. 2)

(which amounted together to about 120,000), then moved up to almost 63 per cent in 1931 and reached its maximum of nearly two-thirds in 1941.

The falling-off in births during the thirties was reflected in a small increase of only 6.5 per cent between 1941 and 1956 in the size of the 15-24 age group. This group normally accounts for a large proportion of new entrants to the labour force and a considerable part of current marriages. The number in this group was 2,291,000 in 1956 as against 2,147,000 in 1951 and 2,152,000 in 1941.

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## INUVIK, NWT

The Council of the Northwest Territories has added a new name to the map of Arctic Canada.

The name is "Inuvik", which means in Eskimo, "The Place of Man". It is pronounced In - u - vik, with a slight accent on the second syllable.

Acting on the advice of Council, Commissioner of the Northwest Territories R.G. Robertson has proclaimed Inuvik as the name of the new site of the town of Aklavik. Since the site was chosen, following detailed surveys of the Delta early in 1954, and construction was begun, the site has been known as New Aklavik or East Three.

Aklavik (Eskimo for Place of the Brown Bear) is the last town before the Arctic Ocean and the only place in the Northwest Territories where Eskimos and Indians share a community.

The new town, 35 air miles east of Aklavik and 70 miles by water, will be the largest centre in the western Arctic. The need for a new town became apparent when it was found that the site on which Aklavik stands could not be adapted to meet the requirements of a growing population.

In another three years it is expected that Inuvik will be ready to accommodate all those now living in Aklavik who wish to move there. No one will be under any compulsion to do so but already about half the population of Aklavik are employed in some form of construction connected with the new community.

Inuvik has been planned with long-range growth in mind. The present population of Aklavik fluctuates between 500 in winter and 1,200 in summer. The new town will have a potential of 5,000 residents.

A major construction project is the airport, due to be opened in the autumn of this year. A gravelled road links the town with the airport and several miles of road have already been finished in the town.

Scheduled for completion in 1959 are a 25-classroom school with hostel (living) accommodation for 500 children, water and sewer services and a central-heating plant. Construction in 1960 will include an 80-bed hospital, a federal building, and additional housing. About a hundred houses have already been built and are occupied by those employed on the new town.

The brown bear which gave its name to Aklavik will be disappointed in Inuvik. Modern methods of garbage disposal will provide lean pickings.

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## WHEAT EXPORTS AND SUPPLIES

Overseas export clearances of Canadian wheat in the week ended July 2 declined 19 per cent to 5,001,000 bushels from last year's comparable total of 6,165,000 bushels, according to Dominion Bureau of Statistics. August 1 - July 2 clearances, however, increased 21 per cent to 246,940,000 bushels from 204,504,000 a year earlier.

Marketings of wheat by Prairie farmers were virtually unchanged in the week from a year earlier at 10,038,000 bushels versus 10,281,000, but were up 0.9 per cent in the cumulative period at 311,288,000 bushels against 308,375,000. Visible supplies of Canadian wheat in all North American positions at July 2 amounted to 370,673,000 bushels, up 0.9 per cent from 367,433,000 a week earlier but down 3.6 per cent from 384,410,000 a year ago.

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## PROVINCIAL GOVERNMENT FINANCES

Direct net funded debt at March 31, 1958, of Canada's provincial governments, amounted to \$2,385 million, down approximately \$4 million from the previous year, according to the Dominion Bureau of Statistics.

Seven provinces floated new bond issues totalling \$182 million and nine provinces made retirements of \$106 million (including \$61 million retired prior to maturity) in the year under review. Bonded debt outstanding increased in Newfoundland, Prince Edward Island, Nova Scotia, Ontario and Saskatchewan, but decreased in New Brunswick, Quebec, Manitoba, Alberta and British Columbia. Long-term treasury bills owing by the four western provinces to the Government of Canada were reduced by approximately \$4 million. As the increase of about \$76 million in bonded debt was matched by a similar increase in sinking funds, the decline in net funded debt may be considered as accounted for by the decrease in long-term treasury bills. Guaranteed debt increased in all provinces except Saskatchewan, which showed no change from the previous year.